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ROCHESTER is located on the shore of Lake Ontario and the banks of the Genesee River, and its many beautiful parks have led it to become known as "The Flower City." The University of Rochester, with its Eastman School of Music, is among the many institutions that have made Rochester a center of culture and education.

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NATIONAL RETAIL CREDIT ASSOCIATION

375 JACKSON AVENUE ST. LOUIS 5, MISSOURI

The CREDIT WORLD

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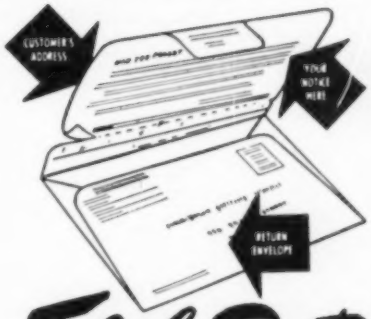
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The Credit World

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Rochester—

The Flower City

JAMES V. NOLAN

***Collection Manager*, Rochester Gas & Electric Corporation**
***Past President*, Rochester Retail Credit Association**

IN 1789 when Ebenezer (Indian) Allen was hewing pegs and logs to build a grist mill at the upper falls of the beautiful Genessee River, little did he dream that he was planting an acorn from which a mighty social, educational, civic and industrial giant would grow—Rochester!

Later, in 1803 Col. Nathanial Rochester, a gentleman from Maryland, purchased this site. The land was developed by Colonel Rochester who gave his name to the present city. Awed by the beauty of the terrain and impressed by its geographic nearness to Lake Ontario, he decided to found a settlement. His farsightedness was surely vindicated. The abundance of water power enabled early residents to mill grain and lumber for more economical shipment to far markets. With the building of the Erie Canal through the heart of Rochester, her destiny to become great was assured.

Rochester's growth has been sensational. At the close of the Civil War, the population was barely 50,000. Today the metropolitan population is approximately 600,000 and is made up of all nationalities, races and creeds. We like each other. We get along together. We work as a team. They have given their best to Rochester and Rochester has given her best to them.

Rochester is the home of 812 manufacturing establishments. Its products literally cover the globe, Kodaks, cameras, film, eyeglasses, lenses, dental equipment, precision instruments, glass-lined tanks, clothing, electric systems, check writers and products for photography and xerography. Dependable, reasonably priced power has contributed much to making this possible.

In Rochester, we have good government. The slogan is "Citizens vote themselves good government." In Rochester 78.3 per cent of its eligible citizens vote as compared to a national average of 59.9 per cent.

Rochester is not only growing in population but also educationally, culturally and spiritually. We have the finest educational facilities in the world. The University of Rochester with its attendant medical college, Rochester Institute of Technology, St. John Fisher College, Nazareth College, Colgate Divinity School, Roberts College, St. Bernards Seminary, Rochester Business Institute, Eastman School of Music, Franklin Institute and others. Rochester has 20 high schools and 78 elementary schools. Most of these institutions have extension divisions where one can study any subject from boat making to nuclear physics. In many instances, Rochester industries subsidize their employees to make it possible for them to attend these classes.

Rochester has limitless possibilities for entertainment and recreation. The new Community War Memorial is the finest most modern auditorium of its kind in this country. A week-long Lilac Festival is attended annually by over 250,000 people. Several fine museums including the George Eastman House of Photography and the Museum of Arts and Sciences are a source of great enjoyment to our people. Music lovers attend in great numbers concerts given by the Rochester Philharmonic Symphony Orchestra, the Civic Music Association, the Rochester Oratorio Society and the Eastman School of Music. The Summer Opera Under the Stars is presented free to audiences averaging 12,000. There are beautiful theatres; restaurants serving the finest foods and pleasant shops and department stores with friendly, courteous people serving you.

More than 68 per cent of Rochester's dwelling units are owner-occupied and are located on tree-lined streets in well-shrubbed, well-kept residential districts.

The Rochester Community chest was organized in 1919 and has had a continuous record of successful drives since that time. This attests to the civic-mindedness of Rochesterians.

Spiritually, Rochester has carried out the pledges of our forefathers. We have 105 churches of all denominations ministering to the spiritual needs of our citizens. Religion in Rochester is lusty and ennobling. It is endowed with promises of eternal meaning that lift us above the fear, doubt and cynicism that plague our daily chores.

This is Rochester, the Flower City, the Kodak City, *where quality predominates.* ★★★



Edwards' 30-Day Option Account

KATHARINE F. KENNEDY

***Credit Manager*, E. W. Edwards & Son, Rochester, New York**
***First Vice President*, Rochester Retail Credit Association**

ON SEPTEMBER 1, 1957 E. W. Edwards & Son, Rochester, New York, announced its new and convenient option terms.

We might say that our customers asked for these option terms and in these days of rising costs and budget-conscious customers our store comptroller asked the credit department to cut down expenses and at the same time to attract new business. The option terms seemed to be the answer.

Convenient Terms

All through the years Edwards has given convenient terms and offered many accounts to fit the customers' needs. We have had the conventional 30-day charge account and the contract account, the latter one drawn for two years or more. We have had the coupon account on which we have given six months' time, or longer, with emphasis on this account for wardrobe purchases.

As a step toward the optional plan we introduced the Edwards Budget Account, commonly called "EBA." This account was carried on a separate set of books and the customer had a different type of Charga-Plate. She was asked at the time of opening the account what limit she wished placed on it. Edwards Budget Account started at $60.00 and ran as high as $180.00. However, our 30-day charge account customers continued to ask for special terms: 60 days, 30-60-90 days' time on their accounts. If a customer wished to purchase an expensive coat or suit or if she were doing a little extra shopping, which people usually do at Christmas and Easter time, she might say to the salesperson that she wished an extra month or two. We found that these purchases many times were confusing and a great inconvenience to the customer. Too, often the terms were clear to us but obviously were not clear to her; for instance, where cards were not marked correctly the billing and its follow-up on "slow" payment created ill will, so we knew something had to be found that would encourage customer buying without involving her in a trip to the office for "terms"—an account that would be fluid—ready at all times to serve the customer in the best possible way. The option account we decided was the answer to our customers' problem.

Our account is truly optional in all ways; all charges opened on or after September 1, 1957 automatically enjoy all privileges of option account. Our 30-day charge account customers may at any time convert to this plan. The customer, therefore, becomes her own credit manager. Each month when the statement is received the customer may pay it in full within 30 days or may make payments in instalments of one-sixth, one-half or even more of the balance owing. We do not ask our customers to make minimum payment of $10.00 a month on the account if one-sixth of the balance owing is less than $10.00. The customer may make partial payment one month and pay in full the next, taking advantage of the optional terms only when necessary or expedient to do so. Too, we stress the desirability, if possible, of payment in full within 30 days.

Service Charge Law

On October 1, 1957 the New York state law regarding service charge became effective; therefore, to comply with this law our new customers must sign a retail instalment agreement, which says that they agree to pay to E. W. Edwards & Son of Rochester, N. Y., in full within 30 days after receipt of the monthly statement, or they may elect to make payments in instalments each month, at least one-sixth of the balance shown of the month's statement. A copy of this agreement is given to the customer for explicit understanding that she may pay her account in full at any time and that there will be no service charge if the account is paid in full within 30 days after receipt of statement. If the customer uses the instalment plan she will pay a service charge of 1½ per cent of any unpaid balance under $500.00 and one per cent of any excess over $500.00 that is carried over; therefore, if a customer buys $120.00 during one month, pays $20.00 on it and returns $10.00 worth of merchandise there will be a 1½ per cent carrying charge added to this balance of $90.00. In other words, all cash payments and credits are deducted before the service charge is computed.

Option Terms

The option terms have been most successful with us; for instance, on a special sale of a large item when the customer is attracted to the promotion but knows she cannot fit the purchase into a 30-day payment period and does not need the length of contract terms, she merely has to open an option term account; or if she already has a charge account with us she just signs one of our option term cards, which allows her up to six months' time to pay. We also do not feel that the customer who prefers to spread her payments over a six months' period should be singled out. Therefore, all customers receive the same color bill and all carry the same Charga-Plate.

In our credit department there are just two kinds of accounts; the 30-day charge option account and the contract account. This type of account was, of course, a departure for us and we were eager to test the customers' reaction. It has been most successful. Both old and new customers seemed pleased at the scope the account offers and, interestingly enough, everyone I have interviewed has indicated that a service charge today is not unjustified. The last great test for the option account has been passed. A great many of our employees changed their house accounts to the optional plan. ★★★



Dealer Relationships

JACK M. MILLIGAN

***Assistant Secretary*, Instalment Sales Division, Consumer Credit Department**
Lincoln Rochester Trust Company, Rochester, New York
***President*, Rochester Retail Credit Association**

INSTALMENT SALES financing today is highly competitive, and good dealer relationships are very important. Let us suggest here a few of the services that may be rendered to maintain good dealer relations.

A setup to give complete and accurate information in the shortest possible time is vitally important, and the dealer notified at once. Declines should be discussed with the dealer personally, or with authorized personnel. Avoid form letters or correspondence.

In many communities, friendliness among banks and finance companies results in completing a number of applications where the institution is referred to and a routine credit check shows meager information, or a so-called "rush" is requested. A quick, direct telephone conversation can complete the transaction.

All dealer paper which has been approved, when received, should be discounted the same day and a check forwarded. Dealers like this type of service and many favorable comments are received.

The adjustment or collection department can cooperate closely with the dealer in this respect, forwarding him copies of all major correspondence to delinquent customers and furnishing periodic lists of past-due accounts, possibly going as far as having the legal staff write letters on difficult accounts. No dealer should be asked to repossess a piece of equipment on which there is a possibility of a work-out with the customer.

Competition is keen in today's bid for new dealer business, and it is necessary to make personal contacts at the dealer's office. In doing so, inquire as to his needs, make him feel that you can be of service to him (that conveniently located offices are helpful to his customers in making payments) and that he can best sell his customers by selling your services.

In addition to an outside contact man making periodic calls, it is important that the department head call on dealers and become acquainted with them. It has been proven that these calls pay dividends. It gives your dealer a chance to make comments, criticisms and suggestions, and all concerned can reach a better understanding. A strictly social luncheon now and then is also helpful.

One important fact, not to be overlooked, is the relationship with sales personnel in the dealership. A salesman can sometimes make or break a sale for you, especially when more than one institution is financing for the dealer. A friendly word, or a few minutes of your time to stop by and pass the time of day with dealer personnel, will pay dividends. Remember, some day the salesman may be in business, or the girl at the switchboard may enter another field, and the friendship created may be your cue to new business.

New Dealer Prospects

All personnel have an opportunity to play an important part in establishing new dealer prospects and contacts. The instalment sales field is wide open in this respect. Everyone meeting the public should have this in mind. Perhaps the prospect operates an appliance or furniture store, in which case a dealer plan for Conditional Sales Contracts may be to his advantage. Or, he may sell roofing and siding; then an F.H.A. Title I property improvement loan or a conventional type Home Modernization Plan loan may be his answer. Or, the man next to your office may be a dentist, and a Dental Services Payment Plan may be just the thing he has been waiting for. Any of these services can be of mutual benefit to both the financial institution and prospective dealers. In handling paper for a dealer it means less bookkeeping for him, less outlay of funds on his part, and gives his customer an opportunity to establish sound credit. There may be no end of good dealer paper walking into our offices daily, which could develop into a volume of business.

In instalment sales it is important, at times, to use the so-called "sugar negative." A poor loan may be turned down gracefully, but, in some instances, it may be well to "sweeten" the application for such a loan to keep good dealer relations. A contract, upon investigation, may be found to be thin or weak from a credit standpoint, but, on the other hand, still worthy of some consideration. Perhaps a larger down-payment to further strengthen the equity, or possibly the dropping of one item from the contract, may be the answer, and still save a sale for the dealer. Credit appraisals change along with conditions, therefore there is no formula or set of rules laid down in instalment sales. Each application should be judged strictly on its own merits, and not put through on a mass production or slide rule basis.

To retain a dealer's account and enjoy a mutually satisfactory relationship, know him better by showing an interest in his type of business and operation. Attending dealer organization meetings and meeting other dealers, is a very good source of new business prospects. Invite him to attend your association credit meetings and observe the "evolution" and "mechanics of credit." He, as well as yourself can rub elbows with competitors, renew old acquaintances and make new friends. Also, take him on a tour of your own department, to see how a credit department functions and his paper is processed. If feasible, make donations and give awards to dealer social activities and gatherings. Sponsor a booth or rest area at community exhibitions and fairs.

It should be stressed time and again among contacting employees that we are judged by the way the contacting employee handles the dealer. His actions reflect not only his personal feelings, but the policies of the institution that he represents as well.

If our dealer relationships are satisfactory, and if we are to continue in this favorable position, we must both foster and cherish them. It will only be through our efforts and understanding, our teamwork and our initiative, that we can accomplish this end. ★★★



An Association Experiment

GEORGE E. LEADLEY

***Collection Manager*, Rochester Credit Men's Service Corporation**
Rochester, New York
***Past President*, Rochester Retail Credit Association**

IN THE short space of two association seasons, the Rochester Retail Credit Association has been able to convert a several hundred dollar deficit to an impressive surplus, and at the same time, has been able to strengthen its organization in a number of ways. This was not easy. It took a great deal of careful planning and hard work, but it has paid off surprisingly well. Perhaps your local association could benefit from Rochester's experience.

After operating at a deficit for a number of years, the directors realized that the association had an uncertain future to say the least, and that corrective measures had to be taken at once. Obviously the over-all measures had to include a general cutting down of expenses, and an increased income, and the creation of more interest in the association and its meetings. The directors concentrated on these major premises for two seasons with most gratifying results.

Reduction in Expenses

First, the cutting down of expenses was accomplished in a number of ways. It was possible to plan the type of meeting which does not call for expensive guest speakers—such as panel type or educational meetings. When it did become necessary to provide speakers, an effort was made to get well-qualified men or women to donate their services. It had been the custom for many years to furnish some sort of paid entertainment at the monthly meetings. This practice was either eliminated or cut down to about half of the normal expense. Finally, instead of the association purchasing the door prizes for the monthly meetings, it was an easy matter to secure donations from the member companies.

Running concurrently with the economy drive, was a drive to increase the total income. This was accomplished in two ways: By increasing the dues by 22½ per cent, and by increasing the total association membership.

The over-all membership increase only amounted to about 12 per cent, but considering the fact that this was made possible in the face of substantially higher dues, the increased income for the association was quite substantial.

Merely increasing the total income and decreasing the total expense could be an unhealthy situation in the long run unless at the same time positive steps were taken to create more of an interest in the association and its monthly meetings on the part of the individual members. It is obvious that only an interested and active member is a satisfied member so the Rochester Association Directors planned a program to stimulate this active interest in the association.

It is recognized that one of the best advantages of association membership is the encouragement of congenial business and personal relationships with one another. Therefore, a social hour before each meeting was emphasized and at least two annual social meetings, such as a clambake, dance, or free cocktail party, were planned and suitably promoted. Further, the directors did not forget that one way to develop an interest in the association was to put many otherwise uninterested persons on important jobs or on committees. Giving jobs to a fairly large proportion of the members made active out of formerly inactive members.

To help develop a more general interest in the regular association meetings, a survey was conducted and it was determined that the members preferred business-type speakers rather than entertainment. The member firms more readily felt they could justify the expense of sending their representatives and assistants if the programs were such that the representatives and the firms as well could benefit from a business or efficiency standpoint.

Panel type meetings and educational meetings (financially among the least expensive) were particularly popular. The largest attendance the association has ever had was at the education meetings for the last two seasons.

The Credit Bureau of Rochester has, in cooperation with the Rochester Credit Men's Service Corporation, local Collection Service Division of the Associated Credit Bureaus of America, Inc., planned and presented at the February meeting this year and last year a capsule seminar on credit and collection, entitled "The Mechanics of Credit." Most of the planning and presentation fell on the shoulders of Robert J. Walsh, Secretary of the Rochester Retail Credit Association and Executive Manager of the Credit Bureau of Rochester. He personally deserves much of the credit for the success of these meetings. Each time attendance was well over 200, and the directors have decided, if possible, to make this type of seminar an annual affair.

Planned Meetings

Properly planned and well-presented meetings have aided in creating interest in both the meetings and the association itself. The average attendance at the meetings this past season has increased over 55 per cent above the average of two seasons ago.

In summary, by careful planning and hard work on everybody's part, the Rochester Retail Credit Association has placed itself on a financially sound basis. Over-all membership has increased about 12 per cent, and attendance at meetings has increased over 50 per cent. Note this amazing fact: *average* attendance at monthly meetings this past season was equivalent to approximately 70 per cent of the total membership of the association. Can any other association even come close to this figure?

Now, with an interested and strong membership, a substantial bank balance, and a sound financial policy, the officers and directors of the Rochester Retail Credit Association can offer much more in the way of speakers and entertainment for members. We feel that we have now laid the groundwork for a highly successful era. ★★★

The Credit Bureau of Rochester



ROBERT J. WALSH

Executive Vice President

SIXTY-FIVE years ago, William H. Burr, a young Rochester attorney, organized the first credit rating company in the city, known as the Commerical Rating Company. In addition to advancing routine telephone information, the company also published a Blue Book, containing a list of Rochesterians and their credit ratings in code.

Eighteen years later, a competing bureau was organized and began operations by the laborious method of maintaining a book of credit ratings in each member's office. As the ratings changed, so were the books, by a messenger on bicycle from the new bureau's office. This messenger was a young man just out of commercial school, named Frederick G. Waite. From the inevitable consolidation of the two companies, there emerged the Credit Rating Corporation.

In 1926 the merchants of the community, desirous of closer cooperation between the member firms and a credit bureau—organized their own bureau, which progressed until 1932, when they purchased the entire assets of the Credit Rating Corporation. The new company was known as the Credit Bureau of Rochester, and it was eventually incorporated in 1939—sole stockholder being the Rochester Chamber of Commerce. The manager of this organization throughout the years until his retirement in 1953 was Frederick G. Waite.

During the past year, 179 new subscribers, pushed our membership up to a record high of 892 members in a trading area of 750,000 persons. A staff of 57 trained persons dispenses 27,000 reports per month.

Board of Directors

The board of directors consists of 8 members of top management in the city, representing industry, banking and retail fields.

Heart of our operation is in the master record room, containing over 500,000 individual credit files, surrounded by a battery of 27 identical master switchboards. Each switchboard has 90 lines—69 of which are direct to our large users.

Membership is by annual contract basis and our "merchandise" includes 20 different types of reports—ranging from a simple "File Report" to a "Special Written Report."

The proviso in all our contracts requiring members to faithfully and promptly file with us all profit and loss items and seriously past-due accounts, is no mere legal "space filler." Our directors recently put teeth in this requirement by directing management to report at regular intervals all members, who, after systematic contacts by a bureau representative, still decline to report their derogatory items for the protection of all the membership.

A Building Materials Division and a Small Loan Clearance Group, complete the picture of our operations.

The credit bureau also acts as the headquarters and hub of the 45-year-old Rochester Retail Credit Association, to which, by precedent, the bureau manager acts as secretary-treasurer. The latter association exerts a potent force in local retail credit circles.

A few years ago, a novel plan was developed here by the credit bureau and promoted by and through the Rochester Retail Credit Association. Bureau management becoming in-



ABOVE is a photograph of the master file room showing the telephone switchboards of the Credit Bureau of Rochester, Rochester, New York.

How to Reduce Operating Costs



L. S. SOMERS

***Director of Accounts*, McCurdy and Company**
Rochester, New York

INFLATION is with us and no one at this point can see the end. As a result most everything keeps going up while the value of the dollar keeps going down. While all of us are concerned with the price of food, transportation, rent, wearing apparel, utilities, etc., we are also vitally concerned with credit department operating costs. Unless they are kept in line, it is going to be difficult, if not impossible, to have merit increases for credit department personnel approved by management.

Some of the following ideas may seem revolutionary and a far cry from "the good old days," but they are now actually in use. Two large stores at the present time have a floor release limit of $100 with Charga-Plate, and in addition are using negative authorization for all charges over $100 and those without Charga-Plate. I am frank to admit I had a rather queer feeling come over me when I first heard of this expense reduction plan. Since both stores are very large, the saving in personnel will be considerable, running into several thousand dollars each year. In addition, there will be large savings in space, equipment and time.

Many large stores have, for years, felt that having personnel on their payrolls to give ratings on their customers to the credit bureau, usually for the benefit of some other (probably competing) store, is rather difficult to reconcile. This feeling has been accentuated in the last few years due to the rising costs of credit reports. Some credit bureaus are recognizing this fact and are Record-aking the stores' history cards quarterly to eliminate the necessity of calling for ratings.

Cognizant of the ever-increasing work load on credit department personnel, particularly those giving ratings to the bureau, the Credit Bureau of Rochester is about to launch on a plan to reduce costs and to eliminate the necessity of many calls to the stores for ratings. The idea in a nutshell is to make available to bureau users a "negative report" at a reduced cost, made possible by *all* the large bureau users reporting *all*

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creasingly aware of and concerned with the problem of acquainting the newer people in the credit field with terminologies and services of a credit bureau, developed "The Mechanics of Credit." This was a two-hour educational program at the regular monthly dinner meeting of the association, aimed directly at interviewers, collectors, credit clerks and medical secretaries. It was publicized not as a "quickie" course in how to grant credit (that of course being matters of policy of individual firms) but how to interpret the information available to them. We ran right through the gauntlet of a simple "File Report" to a complete written report and included interbureau reports and ACBofA membership. Our local CSD member handled the collection phase of the program. The record-breaking attendance at the 1957 (170 persons) and 1958 (210 persons) sessions, has firmly established this as an annual event in Rochester.

A charter member of ACBofA and one of four originating bureaus of Associated Credit Bureaus of New York State, we are active in our State, District and National Associations and we have confidence and pride in the leaders and officers of these organizations.

Recipient of the International Achievement Award for 1951-1952, The Credit Bureau of Rochester, Inc., considers its most valuable asset, the loyalty, respect and cooperation of the merchants in Rochester, New York. ★★★

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by JOHN D. LITTLE

Each and every one of the 500 letters in this new book has been thoroughly tested and proved successful. Each one is ready for you to use "as is" or with only slight variations to fit your particular needs. You'll find individual letters, as well as complete series . . . dozens of openings and "hooks" to vary your approach . . . techniques and ideas ready to go to work for you AT ONCE.

Just a hint of the gold-mine of ideas you'll get:

- simple collection "hook" that brings in an 89% response –
- collection series that gets speedy results from bad risks –
- successful 3-stage letter that applies increasing pressure – 14 "first letters" that bring in payments –
- forceful "one-shot" letter used to collect accounts charged off as uncollectible –
- successful ways to collect from non-profit organizations –
- dozens of fresh variations on the tiresome "please remit" theme –
- 3 ways to calm down customers dunned for bills already paid –
- letters to chronic "discount chiselers" –
- 5 letters to customers whose checks have "bounced."

TESTED AND PROVED SUCCESSFUL IN ACTUAL USE

Remember, all these successful letters are ready for you to use at once . . . and any one could easily be worth hundreds of dollars to you, not only in increased collections, but in time and effort. Veteran credit men are enthusiastic in their praise of the "Complete Credit and Collection Letter Book." George J. Schatz, Vice-President of Commercial Factors Corporation, says: "This book not only supplies 'know-how,' but also makes available dozens of new credit and collection ideas." And W. R. Dunn, General Credit Manager of General Foods Corporation, says: "This book is full of the how-to-do-it of making your letters human, tactful and effective."

10-DAY FREE TRIAL! Why not see for yourself how tremendously helpful these great letters can be in your work? Mail the coupon below for a Free-Examination copy of the book today!

—MAIL THIS COUPON NOW—

PRENTICE-HALL, Inc., Dept. 5131-KI, Englewood Cliffs, N. J.

Please send me a Free-Examination copy of the "Complete Credit and Collection Letter Book." Within 10 days I will either remit $4.95 plus postage, or return the book and owe nothing.

Name .....

Address .....

City ..... Zone .... State .....

SAVE! Send $4.95 with this coupon and we will pay postage. Same return privilege; refund guaranteed.

past-due accounts regularly that are over three months past due. Considerable spadework was done by Robert J. Walsh, executive vice president of the bureau, since quite a number of the bureau users were not reporting their delinquent accounts regularly.

"Negative reports" will indicate:

1. Record at the bureau at last three years.
2. That the same address, employment, etc. check with the bureau files.
3. No judgments, bankruptcies, news clippings on file.
4. No more than three inquiries at the bureau in previous six months.
5. No derogatory items filed by the 800 members of the bureau.

Reporting Program

In launching this "Negative Reporting Program" it is felt that in addition to saving large members time and expense in furnishing numerous ratings daily, faster and more accurate reports can be given and sufficient community credit control can be maintained.

Since all large users of the bureau have agreed to accept negative reports, it is not difficult to recognize the large savings that will result in the credit bureau and also the various credit offices. The negative report is a new type of report being offered by the bureau; all other types of reports and services remaining the same. If a store wishes a written, regular or in file report, they may be had by merely specifying the type of report desired.

Increase in Printing Costs

Paper and printing costs have caught the inflation train, as we all know. Some stores have as many as five or six different credit plans, each calling for a different statement, application, ledger card, collection letters, envelopes, counter receipts, etc. Why not discontinue all these plans which confuse your customer and cost you a lot of money and offer the all-purpose flexible type charge account such as Hudson's 30-Day Charge with Optional terms or Macy's Macplan? You will be pleasantly surprised at the amount of money you can save.

A store that has been using a spot carbon counter receipt so that the customer has her name on her receipt is saving 50 per cent of the cost by making the receipt in a single sheet, eliminating the spot carbon. They reason, why have the customer's name on a counter receipt when most stores do not have the customer's name on that part of the statement that is returned to a customer when she pays her bill in person?

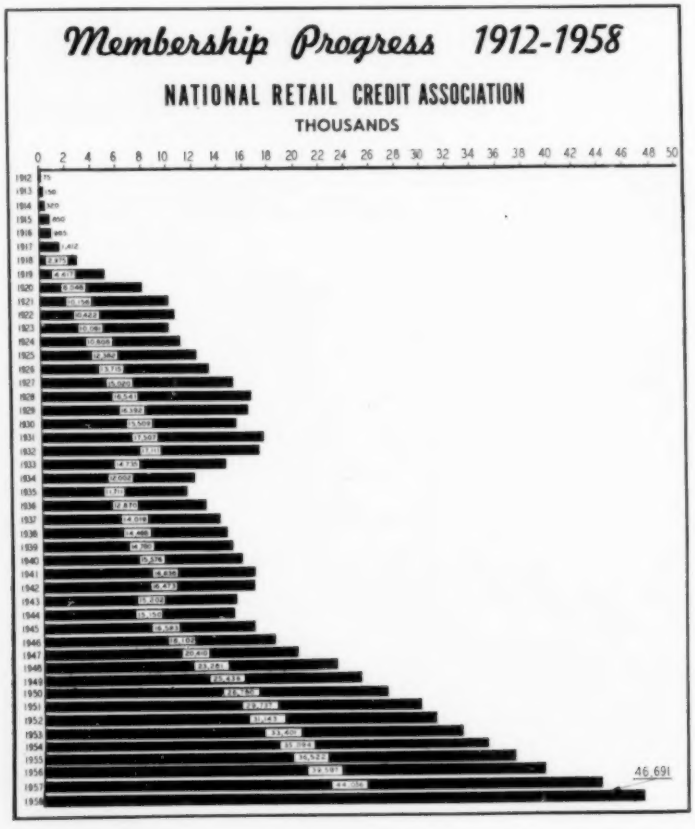
Acquaint your employees with the cost of your office supplies. Many workers have been greatly surprised when they found out the cost of certain supplies which they had previously regarded as inconsequential. Many such employees never have to purchase supplies as are ordinarily used in the office, so naturally do not know their cost and many, not knowing the cost, are inclined to be wasteful of them. Take your employees into your confidence as far as possible with regard to costs. You will find that most will be very cooperative and some might pleasantly surprise you with suggestions that will save you real money.

Prompt Service

One store has their cash payment slips filed in their cycle files by noon of the day following payment. Think of saving of time in analyzing for dunning, the sending of collection letters, many of which should not have gone out, and charge transactions held up by authorizers due to cash payment slips not being filed for several days after payment has been received. Incidentally, operating costs were reduced materially in devising the method for getting the cash payment slips into the pockets the next day.

In trying to reduce operating costs, do not overlook new machines or new devices. Give the salesmen a hearing even though you may be very satisfied with what you are now using. Most salesmen will not want to sell you unless they can save you money. Possibly you may think our store is not large enough to install a motorized Recordak unit, Auto-typist, Flexowriter, Speedaumat plates, cycle files and many other machines that are on the market for our use, but at least you owe it to your firm and more particularly your department to investigate them. Many of these machines and devices can save just as much money proportionately for a small store as a large one.

In times of rising costs, we are all required to constantly try to find ways and means to keep our operating expenses in line—and it is not an easy task. ★★★



Hospital Collection Procedure

ROBERT C. SAYLES

***Credit Manager*, Rhode Island Hospital**

Providence, Rhode Island

OUR HOSPITAL collection procedures should stem from the credit policy adopted by the trustees and administrator. Based on this policy the hospital must, of necessity develop a collection procedure which is both fair and equitable to the patient and the hospital.

The collection procedure has to do with how the system is operated so as to carry out the policy of the hospital. That is to say, it is concerned with such important questions as the sequence in which the various steps of collection follow-up are taken, the time elapsing between steps, the time when collection follow-up begins on an account which has become past due, the choice of the collection methods to be used, and so forth.

Ideally, the collection procedures should be in writing and spelled out in detail. Once the credit and collection procedure is set up, it is highly important that you make sure it is carried out. If this is done then crises do not develop, for when collection percentages drop you know that all is being done the way it should be, and there is nothing to worry about.

Formal written procedures should not be inflexible nor ever substituted for humane judgment on the part of credit and collection employees. And whether written or not we must be alert to the danger that we might accept procedures as correct solely because we have always done them that way.

Let me tell you of an example of this that occurred a while ago in Rhode Island. We arranged an informal meeting of hospital business office personnel and a member of the Workmen's Compensation Court. The Rhode Island Workmen's Compensation Act has been on the Statute Books since 1913 and many of our hospital people were surprised to find that their hospitals were not complying with all the duties imposed upon them by this Act. We were even more amazed to learn that by not complying with all these provisions we might forfeit all rights for payment from the employer, his compensation carrier, and even the patient.

I should like to discuss some possible procedures we might use to advantage in the following areas of our hospital cycle. A) Pre-Admission; B) Admission; C) Inpatient Follow-Up; D) Discharge Procedure; E) Collection Follow-Up After Discharge.

Pre-Admission

Our pre-admission effort consists of acquainting prospective patients of our credit policies. One method of doing this is through the referring doctor provided, of course, we have kept him fully informed of them. Another method used extensively on elective and maternity prospective patients is by mailing them a pre-admission registration form or perhaps a confirmation of the reservation, together with an informative booklet which contains, among other items of interest, the hospital's credit policies. These advance registrations may be checked against our unpaid files and cleared with the Credit Bureau. A third method of informing prospective patients is through our admitting or social service personnel available in the clinics.

If your credit policy calls for a deposit on admission it is most advantageous to make this fact known prior to admission by any or all of the aforementioned means so that the patient can come prepared to render the deposit.

Admission Procedures

Usually the most favorable time to establish a satisfactory arrangement for payment is at the time of admission. Depending upon the nature and type of illness and the advance information which has been furnished the patient, the admitting officer, credit manager, or other person responsible for determining credit ratings at the time of admission should accomplish the following:

Obtain Complete and Accurate Information:

The much used retail credit maxim of an account well-opened is half-collected certainly applies to hospitals as well as to retail credit. Addresses and employment of the security should be checked back for at least two years.

Clearly Explain the Hospital's Charges and Collection Policies:

If the proper approach is made so that the patient understands the collection procedure he will be rarely offended or fail to pay on schedule. We must appreciate that the patient is often under a severe mental strain at this time and so may not fully grasp what we say. Therefore, if we have not already done so, a booklet such as we just mentioned under pre-admissions should be given to the patient.

Secure the Deposit If Your Policy so Specifies:

You have to ask for it—rarely will it be forced upon you. We could spend considerable time discussing the pros and cons of advance payments but I am sure you have already done so many times. At Rhode Island Hospital we have requested advance payments since 1949. However, our procedure is flexible and we therefore avoid the disadvantages of a strict policy. We find it invaluable in opening an avenue for financial information.

Determine and Explain the Amount of Blue Cross or Insurance Coverage and Obtain Assignment of Benefits When Indicated:

We will always have patients who are totally unaware of the coverage they have available up to the moment they present themselves for admission. It is well worth the time and effort involved to maintain a card file listing by employers the various insurance plans. We obtain duplicate insurance assignments on our own forms so that we will have a record of the assignment which occasionally is useful when original assignment is not honored.

Determine If the Account Will Have to Be Paid in Instalments and If so Arrange a Definite Plan:

One of the advantages of arranging terms at the point of admission instead of at the point of discharge is that it is a decided benefit to the patient to know where he stands so he will not needlessly worry during his stay. Conversely the hospital knows where it stands and will have more time to devote to the problem accounts.

Arrange for a Guarantor of the Patient's Account Where Indicated:

If the patient is unable to make satisfactory arrangements for payment the admitting or business office should try to obtain a guarantor for payment of the account. As in the case of advance payments relatives will often get together to assist the patient at the time of admission whereas after the patient has been admitted they may be less inclined to sign. Also, an important legal consideration is that in the absence of a personal guarantee married women are not liable for their husband's account.

Determine Eligibility for Welfare or Other Governmental or Private Agencies:

It is the function of the admitting or credit person to explore all possible sources of help for those patients not able to pay their hospital bill. Eligible patients should be urged to enlist the aid of welfare agencies and often it requires a little push to get them to do so.

Determine Eligibility for Free Service:

Based on the verified pre-admission information the hospital may determine partial or total free service at the point of admission and adjust their rates accordingly. Others adjust their bills after discharge. In the latter instance there is the additional advantage of knowing the total hospital cost and also the patient's medical condition on discharge which might affect his ability to resume employment.

On industrial accident cases verification of the compensable injury should be obtained from the employer and the procedures called for in the compensation act followed to the letter.

On public liability cases the patient should be asked to pay and then seek reimbursement. Practically speaking we know few will do this and so lacking the protection of a "Lien Law" (which, incidentally, we fortunately have in Rhode Island), a signed agreement should be obtained directing the lawyer and/or insurance company to withhold from the settlement the amount of the hospital bill and forward same direct to the hospital.

In-Patient Follow-Up Procedures

While the patient is hospitalized the business office has the responsibility of carrying out procedures that were called for but not possible to do upon admission. In addition the business office should closely follow the inpatient accounts for payment during the hospital stay and should be alert for danger signals. Perhaps it may have been necessary for the patient to remain longer than anticipated resulting in depleted cash resources or exhaustion of Blue Cross or insurance benefits.

At our hospital a separate credit record is maintained in the business office to which all weekly statements and cash payments are posted. This enables us to tell at a glance the status of the account. If after the second week's bill has been posted and no payment received we contact the security for payment.

The divisional credit interviewers refer all balances of $500.00 and over to the credit manager for direction.

Once admitted, the patient is not contacted unless we are unable to obtain needed information from relatives or such aids as tax books or credit reports. The value of obtaining credit reports should not be underestimated. We use them extensively on doubtful and problem cases and have found the additional monies recovered has more than offset the cost expended for these reports.

As previously stated we do not adjust bills untill shortly after discharge, however, during the hospital stay we, with the aid of our social workers, obtain detailed information to guide us in arranging free service.

Discharge Procedures

One of the most important factors in the business office procedures at the time of discharge is adequate advance notice of the patient's intention to leave. All remaining charges should be posted when notice has been received that a patient is to be discharged. In the event there is a possibility of a "late charge" the patient should be so informed to avoid misunderstanding when future statements are rendered.

The ideal situation is to have all financial arrangements made prior to discharge. As soon as this is accomplished the credit office sends a signed form to the unit releasing the patient of the necessity of clearing through the business office upon leaving. This is most desirable for good public relations and it eliminates the congestion at the cashier's window and does not needlessly tie up nursing personnel during peak discharge hours.

Insofar as possible all patients who have not been released by the credit office prior to discharge are first brought to the cashier's window and if unable to pay the bill in full, are referred to the credit office.

The cashier's approach to the patient should be positive, by this I mean the cashier should state, "Here is your bill, Mr. Jones, you owe $70.00." If the cashier should say "Your balance is $70.00, Mr. Jones, do you wish to pay anything today?," all previous efforts may be nullified. Of course he does not want to pay if he does not have to and the result may well be a partial payment instead of payment in full.

As previously stated in the event that the bill is not paid in full definite arrangements for subsequent settlement of the amount owed should be made.

Let us consider some of the possible arrangements that can be made at this time. First an agreement to pay the account to the hospital. This may be an agreement for full payment of the account at a future date or liquidation of the account through instalments. Some hospitals secure promissory notes. Two possible advantages of which are that the note is accepted by the courts as evidence of the debt and there can be no later dispute as to the service rendered and secondly a debtor might be inclined to consider a note a more solemn obligation than an amount owing on an open account. The note should be acknowledged by letter preferably signed by the administrator for added stature.

If a promissory note is not secured and an arrangement for instalment payments is made then it is advisable to issue a payment record book which shows the terms agreed to and serves as a reminder of the obligation. Whenever any type of an agreement is made a signature should be obtained so that there can be no misunderstanding as to what the arrangements are and whether credit is on a note or an open account basis. Be sure that the individual payments are not beyond the patient's ability to pay them; otherwise the account is likely to become past due after a few payments.

Another arrangement to be considered is the bank loan which as you are aware is an arrangement between the hospital and the bank to finance the cost of hospital care using the time sales financing facilities of the bank. The usual arrangement is for the debtor to sign a promissory note to the order of the hospital, which note is discounted with the banking institution. There are the usual financing charges for

such an arrangement which may be paid by the patient or the hospital depending upon the basic arrangement or the policy of the hospital. In most instances, the hospital remains contingently liable for the unpaid balance of the note plus interest earned should maker default. After the hospital has discounted the note, the bank would then use its usual collection procedures and follow the loan until date of final settlement.

The Rhode Island Hospital began using this plan in 1951 and we find that we are becoming more dependent on this arrangement for settlement of our accounts, since with the rising cost of hospitalization, fewer people are able to pay in full at discharge.

What are the motives for instituting the arrangement? The first is that it enables us to obtain early liquidation of amounts owed us. Secondly, it eliminates many case transactions and posting by the accounting department. Thirdly, it relieves the credit department of considerable follow-up work and maintenance of amounts owed the hospital. The fourth reason is that it is a convenience to patients in that payments may be made at any branch of the bank whose branches are widely disbursed in the area served by the hospital. These can be selling points for the plan and have proven to be in our instance.

Collection Follow-Up After Discharge

The patient or responsible party should receive a final statement of the account as soon as possible after the discharge date. This is no less true in the billing of third parties such as in the case of Blue Cross, insurance, governmental and private agencies, for the sooner you bill the sooner they will process your bill for payment.

Consistent and prompt follow-up of accounts after discharge is absolutely necessary. Collection procedures, obviously, will be determined by the financial arrangements made at the time of discharge.

From experience we know there are three objectives in the collection of an account.

1) Collect the account.

2) Collect the account, and retain the patient's good will.

3. Collect the account promptly, retaining the patient's good will.

It is important that we remember these objectives; and if they cannot be attained, they should be sacrificed in reverse order—promptness sacrificed for good will, and good will sacrificed for the prime objective, the collection of the account.

Collection follow-up may be in the form of correspondence, personal or telephone contact, collection telegrams, collection attorney or collection agencies.

First let us consider the most frequently used collection tool, namely, collection correspondence.

It seems to me that many of us in the hospital field are remiss in that after rendering a final bill we sit back and wait until a payment is overdue before we remind the patient that we too, are among his creditors.

One of the easiest and cheapest ways to keep an unpaid account in the mind of the patient is by sending him a monthly bill. This may be done at the close of each month, or it can be accomplished by the installation of a cycle billing arrangement such as that used in department stores.

Our written procedures should spell out the type and frequency of collection letters to be sent.

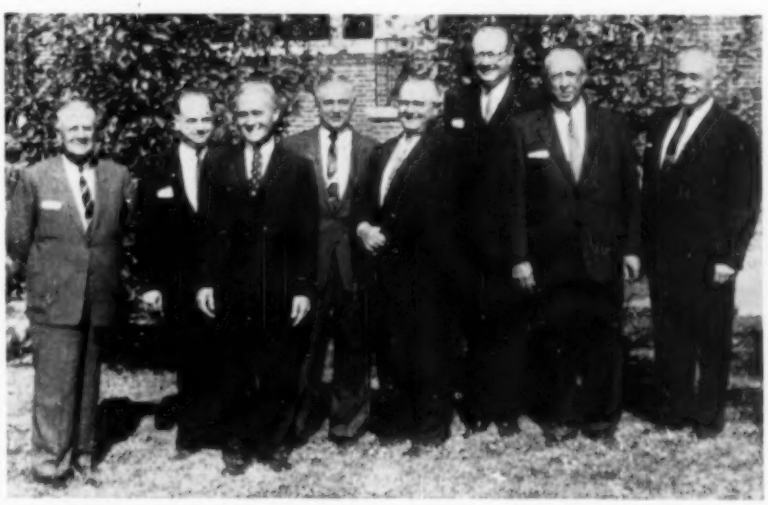
To be effective our series of letters should be cordial in their attitude and positive in their tone and should gradually increase in insistence. As a rule short collection letters, clear and to the point, are much better than long ones. A long letter may distract the patient's attention from the main point at issue, the delinquent account.

Very few hospitals have an outside representative available to them, however this technique of contacting the debtor should seriously be considered if there is a substantial amount owing and the patient has not responded to other collection letters or telephone calls. Your procedures should spell out the time to switch over to telephone or personal contact. Telephone conversations, if carefully handled, offer many advantages. It is difficult for the patient to be indifferent to a telephone call, whereas a collection letter can be dropped unread into a wastebasket. Some claim that telephone contacts are 40 per cent effective and they most certainly should be an integrated part of our collection procedure.

Attorneys and Collection Agencies

Whether a collection agency or attorney is used is a matter of policy. Today more and more hospitals are using collection agencies and/or attorneys on those accounts where it is known that the patient has the resources to pay but will not do so unless forced to. We, in the hospital field, should use all of the ways available to us to liquidate an outstanding account.

Our collection procedures should be in writing and spell out the ways to accomplish the following: 1) an informed staff; 2) an informed patient; 3) a good admitting procedure; 4) understandable financial arrangements; 5) efficient billing and effective follow-up procedures; and 6) final disposition of the uncollected account—either to an attorney or collection agency or bad debt. ★★★



ABOVE is a picture taken at a recent meeting of the Executive Committee of the National Retail Credit Association. Left to right, are: L. S. Crowder, General Manager-Treasurer, St. Louis; Kaa F. Blue, Past President, New Orleans; William J. Tate, Past President, Ottawa, Ontario, Canada; Earle A. Nirmaier, Third Vice President, Newark; Wimberley C. Goodman, Immediate Past President, Dallas; David K. Blair, Second Vice President, San Francisco; J. C. Gilliland, First Vice President, Chicago; and Eldon L. Taylor, President, Salt Lake City.

Associated Bureaus of America Establishes New Medical Credits Division

JERRY HARRIS

Medical Arts Division of Creditors Service Bureau
El Paso, Texas
***Chairman*, Medical Credits Division, ACBofA, St. Louis, Missouri**

ACBofA's new Medical Credits Division was officially inaugurated as of February 1, 1958. Although long in the formative stage, its plan of operation was approved by the Board of Directors at the Miami Beach Conference in June, 1957.

The impetus responsible for the formation of this new division was predicated upon a realization of the fact that in the United States and Canada, there are in excess of 240,000 physicians, 110,000 dentists, and 9,000 hospitals and clinics. Not only do these 360,000 dedicated individuals and institutions work tirelessly to protect and maintain the good health of approximately 200,000,000 people, but their services are readily available 24 hours a day, 365 days a year. Morever, for the destitute and the needy, these services are often available at little or no cost.

Medical Care

Statistics as published in the July 5, 1957 issue of U. S. NEWS and WORLD REPORT disclosed that in the average year, only 8 per cent of all families seek no medical care and pay no medical bills. For 92 per cent of the nation's households—9 out of 10—there is a medical outlay of some kind during the year. Of the medical bills incurred physicians report they are collecting approximately 90 per cent of them at present.

The problem of the physician, dentist and hospital is with the remaining 10 per cent who present a credit or collection challenge. It is with this group that members of the Medical Credits Division will be called upon to bring their talents to bear.

Members of the Medical Credits Division recognize an opportunity to serve the health professions in their communities through specialized treatment of this type of account. This demand for such treatment is an outgrowth of the past experience of members of the American Medical Association.

Government Control

Some years ago a movement was started to subject the members of the American Medical Association to a discriminatory form of government control. The intent, of course, was to relegate the physician to the role of a government employee and thus to provide the American people with socialized medicine or what is sometimes referred to as "government medicine." American physicians had given our citizenry the best medical attention of any country in the world and their apparent reward for this service was an attempt to force them into a particularly odious form of economic enslavement.

These physicians, through their association, the American Medical Association, and the help of many outsiders put up an energetic and successful fight to preserve their right to the "American way of life." The result was that socialized medicine was defeated for the moment. However, as an aftermath, the Public Relations Department of AMA pointed out the necessity for improvement of member relations with the public at large and particularly physician-patient relationships. They decided to become, as they well deserved to be, the best-liked profession in America.

Many recommendations were made on how to accomplish this. Among the most significant were those concerning the handling of medical accounts. It was observed that: "Professional accounts are 'different' than ordinary wholesale or retail accounts. Since they *are* different they should have a completely different type of handling." Members of the Medical Credits Division realized this and they are pledged first of all to protect the physician's public relations through better understanding of the delicate physician-patient relationship. Secondly, they are to make certain that no injustice is done to the patient whose economic status indicates a bona fide need for charity.

Public Relations

In an address before the meeting of the National Association of Clinic Managers at the University of Oklahoma, at Norman, Oklahoma, March 21, 1958, the writer of this article represented ACBofA. He developed the theme that ACBofA member offices are doing an excellent public relations job day in and day out on behalf of the professions and hospitals. This is accomplished by discussing with individuals who come to our offices or whom we contact over the phone, the matter of expressed dissatisfaction with either the service rendered or the amount of the charge.

In the first instance, the individual is made acquainted with the professional man's standing in the community and with his colleagues, thus re-establishing his position in the person's viewpoint. Furthermore, comparisons are drawn as to the value of the service as compared with the charges made by various trades where the investment made in study is practically nil by comparison.

A thorough knowledge of this procedure by members of the Medical Credits Division and practiced by them is helping the professions each and every day.

A need has long existed for this new division. Substantiation of this need was best expressed by a letter dated August 6, 1957, addressed to Harold A. Wallace, Executive Vice President of ACBofA by Lindley S. Crowder, General Manager of the National Retail Credit Association. It reads:

> Was delighted to learn of the recent action of the ACBofA Board of Directors in deciding to establish a Medical Credits Division. It has long been needed and is an important step forward. This is a day of specialization and through the new department it will be possible to develop new techniques which will enable your members to better serve the health professions of the nation.
>
> Specially trained personnel will render more efficient service and develop good will for professional members, a most important asset in patient contacts. It should also result in a much better collection record and a substantial reduction in credit losses. Congratulations on your action in providing what, I am confident, will prove an outstanding service for the medical and dental professions and hospitals.
>
> Cordially yours,
> /S/Lindley S. Crowder

Members of the Medical Credits Division will work closely with the medical and dental societies and hospital associations in their localities, with a view to affording the best possible type of service compatible with the high ethics of these groups.

The scope of services rendered will vary with the individual Medical Credits Division member. In the first place all offices will render an extremely ethical collection service. In addition, most of them will offer some type of a pre-collection aid. Some offices may offer all or some of the following services, e.g., telephone answering service, accounts receivable bookkeeping, tax consultant service, office management, personnel employment, and purchasing of supplies, credit information, etc.

In every instance, member offices' personnel are available for free consultation on credit and collection problems. Physicians, dentists, hospitals . . . all members of the allied health professions . . . should avail themselves of the opportunity to counsel with the Medical Credits Division members in their communities.

Names of members of the first Medical Credits Division Committee, appointed to serve until January 1, 1959, are as follows: Jerry Harris, El Paso, Texas, Chairman; Norman B. Critser, Madison, Wisconsin, Vice Chairman; Robert H. Albright, Galveston, Texas; Carson L. Bard, Louisville, Kentucky; Richard A. Boettcher, Greeley, Colorado; Harry E. Boyd, Belleville, Illinois; Sherman Harris, Houston, Texas; William R. Kane, Washington, D. C.; James G. Merrick, Little Rock, Arkansas; Eugene S. Mikkelson, Bellflower, California: William H. Price, Columbus, Ohio; R. C. Russell, Council Bluffs, Iowa; Don Paul Schmidt, Pendleton, Oregon, and Robert F. Wernet, Memphis, Tennessee.

The first meeting of the committee was held in July, at the International Consumer Credit Conference in Los Angeles. At that time a report of the progress of the division and services to its members was evaluated by this committee.

Those members of the health professions who avail themselves of the specialized services supplied them by members of ACBofA's Medical Credits Division are cognizant of the fact that:

> You can't do today's job with yesterday's *tools* and be in business tomorrow.

The ONE Book Every Collection Man Should Have

One New Idea Will Make or Save You Its Price Many Times Over!

SKIP TRACING

Procedure for the individual skip tracer.
Procedure for the firms of volume business.
Fourteen different ways to locate a skip without a registered letter.
A letter to former employers that will bring phenomenal results.
Eleven stories of actual cases where the skip has been located, and the account collected through these skip tracing and collection methods.
How, when and where to send registered letters.
Ten ways of locating skips by registered letters.
Analyzing returned registered letters.
How to find the job.
Tracing the guarantor.
Tracing the guarantor's job.
A concrete case.

HOW TO LOCATE SKIPS AND COLLECT

by
A. M. TANNRATH

Authority on Credits, Collections and Skip Tracing
The Only Book of Its Kind Ever Published

$5.00

Collecting Old Accounts
Installment Credits
Current Collections
Merchandise in Storage
Bad Check Law
Conditional Sales Law
Bankruptcy Law
Supplementary Proceedings
Intra- and Inter-State Commerce Laws
Canon of Commercial Ethics
Digest of Commercial Laws For All States
How to Forward Claims For Collection

REPEAT ORDERS from Co'lection Agencies and Chain Organizations PROVE Its Value!

These firms ordered copies for each of their offices or for each of their executives.

SECURITIES CREDIT CORP. of Denver, Colorado, ordered 14 copies.
MERCHANTS ACCEPTANCE CORP. of Worcester, Mass., has ordered 21 copies.
MILLER MANAGEMENT CO. of Nashville, Tenn., ordered 160 copies. Recently they ordered an additional 84 copies. They write: "Many thousands of dollars' worth of skip accounts have been located through the direct result of your book."

You, Too, Can Profit by This Book! Order Today!

CLIP AND MAIL THIS COUPON TODAY!

NATIONAL RETAIL CREDIT ASSOCIATION
375 Jackson Ave., St. Louis 5, Mo.

Please send me ..... copy (ies) of How to Locate Skips and Collect. Check for $5.00 must accompany order.

Name .....
Firm Name .....
Address .....
City ..... Zone ..... State .....



FROM THE *Presidents Pen*

WHEN Mr. Crowder, a few years ago, asked me if I would serve as a director-at-large of the National Retail Credit Association, no slightest thought that I would some day be its president entered my mind. Because consumer credit was, and is, both my vocation and avocation I have been content over the years to serve it in any useful way, without desire for public reward or recognition. Nevertheless, I am sincerely appreciative of the honor and recognition you have shown me and I shall not lightly bear the responsibilities that go with them.

We have entered another period of ferment and change in the field of consumer credit. The current agitation for credit sales regulatory legislation is one indicator of this. In such period a prime opportunity exists for alert associations to assume or expand leadership in this field. As the oldest, largest and most important consumer credit group, the National Retail Credit Association is and must continue to be that leader. It is my one purpose to do everything possible to attain this objective.

Our Association is not a static entity. Without change it cannot progress. I shall welcome suggestions and proposals obviously intended to aid our progress. Those considered to have definite possibilities will receive all the active support I can generate during my term of office. At this moment plans are under way for the National Retail Credit Association to assume a more active role in connection with credit legislation at the state level. Other projects will follow.

During the meeting of our Board of Directors in Los Angeles, California, on July 16, 1958, a Constitution and Bylaws Committee was appointed. This committee will recommend amendments and changes, if considered advisable, to be voted upon at the 45th Annual International Consumer Credit Conference to be held at Dallas, Texas, July 21-25, 1959. District and state units are urged to submit their ideas about possible improvements to Wimberley C. Goodman, Committee Chairman, in care of the Reynolds-Penland Company, 1524 Main St., Dallas, Texas.

Mr. Crowder told the Board that he would like to take a less active part in our Association and requested that we make such arrangements as would make this possible, effective with the next annual conference. While aware of the personal reasons which prompted the request and sympathetic toward it, the Board was unanimous in its opinion that Mr. Crowder's experience should not be lost to us. A special committee, of which I am the chairman, will consider ways and means by which the request can be granted without losing Mr. Crowder's invaluable guidance. The counsel of many of you will be sought in connection with this project.

Expansion of our membership recruitment activities is planned. The President's Annual Membership Drive will again be featured, but Joseph A. White, National Membership Committee Chairman and Past President of our Association, says this will be only one phase of the over-all program. Your support of Mr. White's efforts is solicited.

Discussions at the Board meeting pointed up the fact that the districts are not fully aware of the rights, privileges and advantages available to them, constitutionally and otherwise. The directors were asked to keep district officers informed, but the officers should read and understand the National and District Constitution and Bylaws and keep informed as to membership practices and programs in other districts. The National Office is ready, willing and able to furnish such information. On subsequent *President's Pages* I will try to provide information that may be helpful to you at the district, state and local levels.

This will not be an easy year, but I am counting on the active support of our programs by you and all other members. With it, and the continued friendly cooperation of the Associated Credit Bureaus of America and the Credit Women's Breakfast Clubs of North America, I am confident we shall have a successful year.

J. C. Gilliland

President
National Retail Credit Association

Los Angeles Conference Notes

RESOLUTIONS

Social Security Act Amendments

WHEREAS, the membership of the National Retail Credit Association is comprised of 46,500 members engaged in every line of business where consumer credit is an economic factor, including department and apparel stores, furniture, musical instruments and household appliance stores, hospitals, banks, loan and finance companies, utility companies, petroleum companies, hardware, lumber and building materials, jewelers, etc., and represents every phase of the economy where consumer credit is extended to the public; and

WHEREAS, the 10th District, National Retail Credit Association, Inc., embracing the states of Oregon, Washington, Idaho and Montana, adopted at its annual business meeting held at Portland, Oregon on May 19, 1958, the following resolution:

"The Forand Bill, H. R. 9467, is an amendment to the present Social Security Act, proposing to provide government hospital and surgical care for approximately thirteen million eligible Social Security claimants, regardless of their ability to pay for these serves.

"We believe this to be a definite step toward National Socialism and would mean that the tax rate would be increased for both employees and employers. If passed, it could prove so costly that it would jeopardize the retirement security of millions of Americans, who depend on Social Security for their basic retirement needs.

"*Therefore, be it resolved;* that this conference go on record as being unalterably opposed to the passage of this bill and that the Congressmen of the states represented at this conference be advised of our opposition."

WHEREAS, the National Retail Credit Association assembled at its 44th Annual International Consumer Credit Conference has considered the foregoing resolution, and agrees therewith, and regards the proposed legislation as potentially destructive of the present Social Security Act and benefits accrued to millions thereunder;

NOW, THEREFORE, BE IT RESOLVED, that the National Retail Credit Association recommends to the Congress of the United States that H. R. 9467 be killed by appropriate committee or other action at the earliest possible moment.

Wage-Earner Provisions of the Bankruptcy Act (Chapter 13—Chandler Act)

WHEREAS, the membership of the National Retail Credit Association is comprised of 46,500 members engaged in every line of business where consumer credit is an economic factor, including department and apparel stores, furniture, musical instruments and household appliance stores, hospitals, banks, loan and finance companies, utility companies, petroleum companies, hardware, lumber and building materials, jewelers, etc., and represents every phase of the economy where consumer credit is extended to the public; and

WHEREAS, the definition of "wage earner" contained in Chapter XIII of the Bankruptcy Act was amended by the Congress in December, 1950 so as to lift the ceiling of wages or salary from $3,600 to $5,000 per year of those eligible; and

WHEREAS, experience under Chapter XIII indicates that where Referees in Bankruptcy have encouraged the use of the wage earners' plans by those eligible, the percentage of accounts paid up has been very favorable; and that, furthermore, wage and salary earners have, as a result of the use of such plans, been allowed a reasonable time for the payment of their debts, usually extending over from one to three years, and have been enabled to retain employment and unimpaired credit standing; and

WHEREAS, this Association is of the opinion that no good or valid reason exists for placing any limitation on wages, salary or other compensation earned by an individual in order that he may be eligible to come within the provisions of Chapter XIII of the Bankruptcy Act, rather than to be forced to resort to voluntary, or into involuntary, straight bankruptcy;

NOW, THEREFORE, BE IT RESOLVED, that the National Retail Credit Association records itself in favor of amending Chapter XIII of the Bankruptcy Act so as to permit resort to wage earners' plans by any person paid by wages, salary, or other compensation, without limitation as to amount thereof.

Wage-Earner Provisions of the Bankruptcy Act (Chapter 13—Chandler Act)

WHEREAS, the membership of the National Retail Credit Association is comprised of 46,500 members engaged in every line of business where consumer credit is an economic factor, including department and apparel stores, furniture, musical instruments and household appliance stores, hospitals, banks, loan and finance companies, utility companies, petroleum companies, hardware, lumber and building materials, jewelers, etc., and represents every phase of the economy where consumer credit is extended to the public; and

WHEREAS, experience under Chapter XIII indicates that where Referees in Bankruptcy have encouraged the use of the wage earners' plans by those eligible, the percentage of accounts paid up has been very favorable; and that, furthermore, wage and salary earners have, as a result of the use of such plans, been allowed a reasonable time for the payment of their debts, usually extending over from one to three years, and have been enabled to retain employment and unimpaired credit standing; and

WHEREAS, sometimes the wage earner debtor has received, indiscriminately, additional credit after he has filed a petition under the wage earners' provisions, which may cause failure of the plan, and may necessitate dismissal of the case;

NOW, THEREFORE, BE IT RESOLVED, that the National Retail Credit Association records itself in favor of, and recommends that Chapter XIII of the Bankruptcy Act be amended so as to provide that a debtor whose

case has been dismissed for failure to comply shall be ineligible to file a new petition for a period of a minimum of one year following such dismissal.

Garnishment of Wages and Salaries of Federal Employee Judgment-Debtors

WHEREAS, the membership of the National Retail Credit Association is comprised of 46,500 members engaged in every line of business where consumer credit is an economic factor, including department and apparel stores, furniture, musical instruments and household appliance stores, hospitals, banks, loan and finance companies, utility companies, petroleum companies, hardware, lumber and building materials, jewelers, etc., and represents every phase of the economy where consumer credit is extended to the public; and

WHEREAS, Representative Thomas B. Curtis of Missouri re-introduced in the House of Representatives at the beginning of the 85th Congress a bill "to provide for the garnishment, execution or trustee process of wages or salaries of civil officers and employees of the United States," known as the Curtis Bill, H. R. 135; and

WHEREAS, the National Retail Credit Association is on record as having vigorously supported previous attempts to secure similar legislation, particularly a bill introduced in the 78th Congress by then Representatives Estes Kefauver of Tennessee, which bill was passed in the House, but failed of passage in the Senate; and

WHEREAS, the Federal employee who is a delinquent debtor may represent a serious problem to his department head or section chief, causing substantial loss of time of such officials in answering inquiries, dunning letters and telephone calls; and such delinquent debtor-employee himself is also involved in responses to such inquiries and demands, resulting in loss of time; and

WHEREAS, garnishment and attachment laws have been universally adopted among the states and territories; and the operation of such laws has relieved state department heads and section chiefs of loss of time in answering inquiries and dunning demands, and has increased the efficiency of employees, and has aided members of this Association to collect debts, both before judgment, because of the persuasive power of a fair and just law, as well as after judgment by garnishee process; and the practicability and fairness of such laws have been demonstrated;

NOW, THEREFORE, BE IT RESOLVED, that the National Retail Credit Association records itself in favor of, and recommends to the Congress of the United States, the early passage of the aforesaid Curtis Bill, H. R. 135, providing for the garnishment of wages and salaries of judgment debtor Federal employees.

Report of the President

Eldon L. Taylor

THE NATIONAL Retail Credit Association has had a most successful year as mentioned in the reports of our General Manager-Treasurer, L. S. Crowder, and his staff. For this reason I am not going into details in my report.

Although we have had a business recession for most of the past year we have shown a substantial increase in membership. I predict a continued increase as a result of the interest and efforts of our members.

We have continued to expand and improve our educational programs. Every effort should be made to keep before the public the benefits of consumer credit and its contribution to the increase in production and employment.

During the past three months it was my privilege to attend five of our district meetings. This gave me an excellent opportunity to personally greet many of our members and to express appreciation for their continued cooperation.

At this time I wish to express my appreciation and sincere thanks not only to Lindley S. Crowder, Arthur Hert and Leonard Berry of the N.R.C.A. but to the entire staff, and to the officers and managing personnel of the ACBofA and the CWBCofNA. Their cooperation has contributed to our success. I also wish to express my appreciation to all individual members, local and District Officers and members of various committees who have done so much during the past year to assist in the progress of the National Association.

Report of the General Manager-Treasurer

L. S. Crowder

IT IS A PLEASURE to submit annual report for year ended May 31, 1958, my 24th. The year has again been an active one.

Finances

Our current financial position shows improvement over 1957, with cash on hand and in banks totaling $33,677.82. Included in the amount was $6,124.35 on deposit with the Toronto-Dominion Bank, Vancouver, B. C., Canada. It compares with a balance of $41,028.21 on May 31, 1957. Subsequently $15,000 in Certificates of Deposit transferred to the N.R.C.A. Retirement Fund reduced the balance to $26,028.21.

Annual payment of $2,500 was made to the retirement fund and checks issued for estimated conference expenses. Current assets, exclusive of inventory, were $83,530.94; last year $67,775.56. Inventory of textbooks and supplies amounted to $22,575.34, as compared to $22,141.93.

Pension Reserve Investments

Stock purchases approved by the Finance and Executive Committees represent an investment of $31,703.96. Value as of May 29, 1958 was $34,720.25; June 13—$35,374.50. Dividends received—$1,206.

Membership

Year-end membership totaled 46,691, compared with 44,138 a year ago, a gain of 2,553. New units were organized in 25 cities in the United States and 3 cities in Canada.

The four leading districts in membership follow:

District 10	11,634
District 8	5,721
District 5	5,083
District 11	4,898

The following four districts reported the greatest number of new members:

District 10	2,097
District 5	1,428
District 11	1,047
District 8	958

Membership standing of the four leading associations follows:

Denver, Colorado	1,203
New York, N. Y.	1,123
Pittsburgh, Pa.	1,096
Portland, Oregon	1,089

Credit Schools

The credit school activities of Sterling Speake and S. H. Womack's course in *Public Relations in Business* are covered in more detail in report of Educational Director Leonard Berry. Both men are doing a very constructive job and reports from cities visited are highly satisfactory.

National Retail Credit Week

National Retail Credit Week was again a very successful one, as indicated in report of Mr. Berry.

Field Activities

Spent 92 days in the field, visiting 32 cities in 17 states and the District of Columbia. Attended only one District meeting—that of District 9. Attended a meeting of the United States Chamber of Commerce the latter part of April and our Legislative Committee meeting in Washington on May 2. Left again on May 13 for the meeting of District 9 in Glenwood Springs, Colorado; a meeting was held in Denver on the 14th and returning addressed the annual meeting of the Colorado Springs Association.

President Taylor attended meetings of Districts 6, 7, 8, 9 and 10, the meeting of the United States Chamber of Commerce to accept the Distinguished Achievement Award, details of which were announced in the June CREDIT WORLD, and the Legislative Committee meeting on May 2. Vice President Gilliland attended meetings of Districts 1, 2, 12 and 5; Arthur Hert, District 8; and Leonard Berry Districts 1, 3 and 4. George Peterson attended meetings of Districts 2, 12 and 5. Reports received indicated very successful meetings.

As announced in the April CREDIT WORLD, George L. Peterson had an offer to go with a large electrical contracting firm in Atlanta as Assistant Vice President, which he felt offered a future that he could not afford to pass up. He tendered his resignation, effective February 28, by letter addressed to me at Los Angeles, which under the circumstances was accepted.

Cooperation

To the officers, directors and committee members of N.R.C.A., the officers and directors of ACBofA, the Credit Granters' Association of Canada and the CWBCofNA, as well as the membership of the respective organizations, I express my sincere appreciation for their splendid cooperation and helpfulness. Over the years it has had much to do with the growth of the Association.

The loyalty, devotion and interest of Secretary Arthur H. Hert, Educational Director Leonard Berry, and members of the staff, which has been a contributing factor in the continued success of the Association, is acknowledged with deep appreciation.

Report of Secretary and Research Director

Arthur H. Hert

DURING 1957-1958, eight issues of The CREDIT WORLD were dedicated to the various units throughout the country. They were: St. Paul, Minnesota, July, 1957; Baton Rouge, Louisiana, October, 1957; Newark, New Jersey, November, 1957; Sacramento, California, January, 1958; Phoenix, Arizona, February, 1958; Salt Lake City, Utah, March, 1958; Cincinnati, Ohio, April, 1958; and Boston, Massachusetts, May, 1958. Other cities have been scheduled for the remaining months of 1958. We are still receiving numerous requests from local units asking that we devote an issue of The CREDIT WORLD to their cities. This plan gives the various cities a considerable amount of publicity about the operation of the local credit associations and credit bureaus as well as an opportunity for many of our members to contribute articles on credit subjects. Copies are usually sent to prospective members in cities to which the publication is dedicated.

It is sincerely hoped that comparative collection percentages will be included in The CREDIT WORLD in the very near future. These figures were discontinued in 1957 due to the fact that they were quite difficult to obtain in time to be inserted in the current issue and in addition it was felt that the figures were no longer comparable due to the various ways of figuring the percentages as a result of the many credit plans in effect. Members interested in this department who are willing to furnish monthly figures are invited to write the National Office.

The Credit Clinic Department is still a popular section of our publication. In order to create additional interest the name could possibly be changed. This also applies to some of the other departments. We wish to thank those members who have made this department a success over the years.

On January 5-10, 1958, I attended the annual meeting of the American Retail Association Executives held at Hotel Statler, New York. At the same time I attended the business meeting of the Credit Management Division of the National Retail Merchants Association. I was also invited to attend the luncheon of the Board of Directors and to a press conference following the

luncheon. It was also my pleasure to attend the annual meeting of District 8 and their Board of Directors meetings held in Brownsville, Texas, April 12-15, 1958.

The balance of my time was devoted to the administration of the various and many duties necessary to the smooth operation of the National Office on the occasion of General Manager-Treasurer Crowder's absence from the city.

I wish to thank our members for their continued interest and cooperation with me for the past 24 years. My thanks, also, to the officers, directors, and National Office staff for their able assistance at all times.

Report of Educational Director

Leonard Berry

IT IS WITH PLEASURE I submit my eighth annual report. I represented N.R.C.A. at the meeting of Districts 3 and 4 at Knoxville, Tennessee where I addressed the General Session on "Credit Department Salesmanship." I attended the meeting of District One at Swampscott, Massachusetts where I appeared before the Medical Professional Group. I represented N.R.C.A. and appeared on the program at the annual meeting of the Wisconsin Retail Credit Association at Wausau, Wisconsin in May, 1958.

During the year I participated in four Credit and Collection Clinics sponsored by the Catholic Hospital Association. These were held at St. Louis, Chicago, New York and San Francisco. Expenses were paid.

The Retail Credit Institute was held, as scheduled, at the University of Oklahoma, July 21-26, 1957. Attendance was discouragingly small. We have discontinued this program.

In November, 1957 and in February, 1958, I attended two Trade Shows of the "Garden Supply Merchandisers Association." The first at Chicago—the second at New York. At each show we had a booth and used our new exhibit of supplies and services. I addressed the "Short Course" at both shows.

Again I was invited to teach at two ACBofA Management Institutes. One was held at the University of Kansas, July, 1957 and the other at the University of Texas, February, 1958.

An invitation was accepted to participate in an "Executives Training Institute" sponsored by the National Retail Furniture Association at Chicago in August, 1957. A similar engagement for August, 1958 has also been accepted.

Several letter writing schools were held during the year. These included Spokane and Portland, St. Louis, Missouri, and East St. Louis, Illinois. I participated in a "Hospital Credit Workshop" at Pittsburgh, Pennsylvania in September, 1957 and a "Credit Clinic" sponsored by the American Association of Clinic Managers at the University of Oklahoma, March, 1958.

Several meetings of local credit associations, annual meetings of credit bureaus, credit women's breakfast clubs, sales executives clubs, civic and social clubs, trade association meetings, business conventions and medical groups were addressed on invitation and with expenses paid, in most cases, by the sponsors of the events. Forty addresses in all were made, many of which involved considerable travel. All were directly related to the consumer credit field.

The National Retail Credit Association entered the "Achievement Award" contest of the United States Chamber of Commerce, using *National Retail Credit Week, 1957*, as the project for our claim to recognition. We were given the top award in our class.

Sterling S. Speake continues to be highly successful with retail credit schools in the field. Since he began his work with N.R.C.A. in February, 1953, Mr. Speake has conducted 232 schools with a total enrollment of 18,886 students. In this fiscal year, he has held 55 schools with an enrollment of 4,352.

A new N.R.C.A. educational course, conducted in the field is that offered by S. H. Womack, *Public Relations in Business*. Mr. Womack began his work for N.R.C.A. in August, 1957. To the end of the fiscal year he has conducted 27 schools with an enrollment of 2,500. All reports are excellent.

Both Speake and Womack schools are continually promoted by the National Office. Explanatory letters are sent to cities and space in The CREDIT WORLD devoted to these outstanding educational courses.

A new manual is being prepared. This will cover the credit and collection problems of hospitals. It will be available in early fall. The price will be $2.00 and the format similar to our other manuals.

The "Effective Credit and Collection Letters" Service which consists of a monthly bulletin containing two pages of commentary on letter writing and four original credit and collection letters. This has been my responsibility since January, 1950. The "Credit Department Letters" page and the "Credit Clinic" in The CREDIT WORLD also continue to be my responsibility. I am grateful to our members for assistance in making these two features so well received.

To the Officers and Directors, the various committees and to all our members I express my sincere thanks for their confidence. To L. S. Crowder, Arthur H. Hert and to the National Office staff, my thanks for their unfailing cooperation.

Report of the Educational Committee

David K. Blair, *Chairman*

THE DEVELOPMENT of any program in an organization as large as the N.R.C.A. is always a slow and tedious process. The mechanics of democracy are, of necessity, geared to slow production. This is especially true in the development of our educational program. The need to serve all credit granters fully, requires careful study and endless planning to insure acceptable results.

Many gains, however, have been made during the past year. We have obtained the wholehearted cooperation of the Credit Women's Breakfast Clubs of North America and a jointly sponsored program now seems

assured. Too much credit cannot be given to their Planning Committee which has completed the monumental task of ascertaining the needs and desires of their membership.

A most interesting development this year has been the organization of a Junior Credit Managers Association in Philadelphia. This program, sponsored jointly by the credit granters and the Credit Bureau of Philadelphia, is being watched very closely by this Committee. It is sincerely hoped that this program will be so successful that this Committee will be asked next year to develop a similiar program on a national basis.

Sterling S. Speake and S. H. Womack are continuing to present their exceptionally fine courses of instruction with the usual enthusiastic response. It is hard to comprehend the strong impact these men are making upon our membership.

Leonard Berry, Educational Director, deserves our wholehearted appreciation of his very successful efforts. He has been eager to work with this Committee at all times. In addition, his appearances before other associations as spokesman for the N.R.C.A. have always been accorded enthusiastic reception. His short course, "Business Communications," is undoubtedly one of the finest available. It is regretted that his duties are so numerous that more time cannot be spent on this.

Our entire office staff deserves our appreciation of their efforts in developing your educational programs. In addition to Mr. Berry, Mr. Crowder and Mr. Hert have been untiring in their efforts on your behalf. With the material developed at the Conference at Miami, they have prepared an excellent manual on "District Activities."

To supplement the formal educational courses offered by the N.R.C.A., local associations have provided many educational opportunities for their membership. Education, both of the granter and the consumer, is one of our major purposes. With the excellent work now being done and the fine plans for the future, our success in this field is assured.

Report of the Finance Committee

J. A. White, *Chairman*

THE ANNUAL meeting of the Finance Committee was held at the National Office on April 11, 1958.

Members present were Earl E. Paddon, Hugh L. Reagan and myself, with General Manager-Treasurer Crowder sitting in ex-officio. The other member of the committee, Charles D. Reno, was on vacation.

Cash on hand and in banks, including Canada, at the close of our fiscal year, May 31, 1958, totaled $33,677.82. This compares with $41,028.21 the end of May, 1957. Of the latter, demand certificates in the amount of $15,000 were transferred to the N.R.C.A. Retirement Fund in August, 1957, as approved by the Board of Directors at Miami Beach, June 20, 1957.

All bills have been paid in the month in which incurred, which has been our policy since February, 1935.

The employment of S. D. Leidesdorf & Company, Certified Public Accountants, was authorized to conduct the semi-annual cash audit of receipts and disbursements. Report of the audit for year ending May 31, 1958, on pages 35-41, contains the year's operations.

The financial condition of your Association continues to be excellent.

Miami Credit Association Active

The projects outlined for the coming year by the Greater Miami Credit Association, Miami, Florida, according to committees, are:

Membership Committee—We consider it our most important committee. During the month of June, 250 Credit Bureau members will automatically become associate members of our association, with a membership fee of $5.00 to cover the initial cost.

We will have a retention chairman who will have the responsibility of following up on delinquent members.

Awards Committee—We will recognize the members who have done outstanding jobs for the association during the year and certificates will be given to those who take courses in improving themselves.

Reception Committee—We will have door prizes at every meeting, also 50-50 drawings. All members will wear identification badges. New members will be greeted and duly recognized by the reception committee.

Education Committee—We are setting up a credit class at the vocational school for anyone in the credit field. The general public is also invited. We will have a speakers bureau and have speakers available for civic and business clubs; for the local high schools and TV programs.

Research and Action Committee—This committee will come up with ideas in improving collections and office operation.

Program Committee—We are planning "Bosses Night," "Past President's Night," "Panel Discussion," and "Brainstorming Session."

Also speakers from the Small Claims Court, State Attorney Office, Sheriff Office, and a Professor of Economics, who will talk on subjects affiliated with our business.

Publicity Committee—All meetings will be announced in the local papers. Also, take an active part in "National Credit Week"—program set up by N.R.C.A.

Legislative Committee—Our club was instrumental in the establishment of the Small Claims Court of Dade County. The present jurisdiction is $300 and plans are to increase it to $600.

Efforts are being made to pass a Garnishment Law. We helped pass the New Bad Check Law and we will try to improve this bill.

All collection laws will be studied by this committee and they will make recommendation on improvements.

Entertainment Committee—We plan to have three social affairs this year. The Credit Women's Club will participate at these affairs.

Bulletin Committee—We have a self supporting monthly bulletin by selling ads to offset the expense.—Alexander De Marco, *President*

Advertising Credit Executives Meet

The Advertising Media Credit Executives Association will hold their fifth annual meeting at the Roosevelt Hotel, New Orleans, Louisiana, Sept 17-19, 1958.



People, Money, and Markets

J. ALLEN WALKER

General Credit Manager, Standard Oil Company of California
San Francisco, California

An address before the 44th Annual International Consumer Credit Conference, Los Angeles, Calif., July 16, 1958

IN A RECENT ISSUE of a national magazine there was a cartoon showing two couples seated on the bare floor of a house drinking coffee. The house was completely unfurnished. There were no rugs, curtains, and only one visible appliance, an electric coffee pot. Under the cartoon was a comment of the host to his guests: "My wife and I can truthfully say we don't owe anyone a dime."

That cartoon is a significant commentary on our times. Today people in ever increasing numbers are using credit to supply themselves with the comforts, conveniences, and economies that modern industry can provide. It was this thought that led me to the subject "People, Money, and Markets." It is, of course, a subject of considerable breadth and implication. I should, therefore, like to discuss it with you from three standpoints: first, the contribution of credit to our economic life; second, the conditions today that particularly influence credit; and third, our responsibilities for its effective use.

Let us consider for a moment what credit contributes to our economic life. During World War II when a Soviet delegation visited a large American factory, it was reported that one of the visitors was astonished at the acres of employees' cars parked outside of the plant. He pointed to the parking lot and asked why a company should be burdened with so many executives. When informed that the cars belong to workmen, the Russian turned to a comrade and whispered, "Americans are such liars."

That statement is an eloquent testimony of this remarkable economy of ours, and sometimes we may wonder at the forces that have made this economy what it is. For example, behind every automobile on the highway are the advances of science and technology, the raw materials brought together from the far corners of the earth, the many factory operations interwoven into an organized system, and the skills of a multitude of individuals. Behind all of this, however, is something else—the credit resources of a people.

The fact that millions of cars have become a necessity in our lives is a marvel of distribution. The broad distribution of goods and services to our people is a triumph equally as great as the production that brought those things into existence. In no small measure, the bringing of consuming and producing forces together represents the power of credit. This power of credit—in all its various forms—helps develop natural resources, sets the wheels of industry in motion, and puts men to work.

In brief, credit—especially consumer credit—is a matter of people, their money, and markets. It represents the ability and willingness of these people to meet their financial obligations. I stress particularly those words "ability and willingness." They spell the difference between a highly developed economy and a primitive barter system. Obviously, not all peoples have those qualities. That is why the credit of the American people is an important national asset—in much the same sense as our farm lands, mineral deposits, or waterways. Likewise, credit is susceptible to either sound development or dangerous exploitation.

The question of how consumer credit should be used is a pressing economic issue today. Too often its proper function is not defined, and some are inclined to attribute to it qualities that credit does not possess. Credit is not a magic wand that can be waved about to conjure up miraculous results. It is not the answer to all the marketing difficulties a company faces. It is not the cure for all the ills of an economy. However, consumer credit can serve as an effective lubricant in our distribution system—stimulating sales and helping to create new markets.

Recognition of the potential of credit recently led the Committee for Economic Development to organize the National Commission on Money and Credit—certainly one of the most important events of this decade. The purpose of this commission is to conduct the first comprehensive stuly of credit in the past fifty years.

It is a timely study in view of the unprecedented use of credit in recent years. Consumer credit especially has had a spectacular growth, and that growth has been a much headlined and discussed subject—sometimes to the point of controversy. In 1948, for example, consumer debt amounted to less than 8 per cent of personal income after taxes. Today, it is more than 14 per cent of after-tax income. On a per capita basis—and after adjusting for changes in the purchasing power of the dollar—consumers owed $96 per capita in 1948 compared with approximately $200 per capita today. Instalment credit has been a primary factor in this expansion.

Growth in Consumer Credit

This growth in consumer credit has been accompanied—in fact, made possible—by the changing buying habits of consumers. Many consumers now consider credit an essential in their buying programs, especially as it facilitates the budgeting of family purchases and brings into immediate use the products that would otherwise not be available to them. As evidence of this change, credit purchasers of automobiles increased from 42 per cent in 1948 to about 65 per cent in 1957. Furthermore, the Federal Reserve Bank estimated that in 1957 more than half of American families were making payments on instalment debts and such payments were frequently more than 20 per cent of their incomes.

It is easy to see why consumer debt has become such an important factor in our economy. Today, you can buy a new automobile on an instalment plan and with a credit card from an oil company supply it with gasoline and oil from coast to coast. You can wine, dine, and sleep during your trips on credit. If you take to the air, you can enjoy a European vacation now and pay for it later. You can buy lawn mowers, television sets, and washing machines for little down and months to pay.

As your wife uses your revolving charge account for new hats and dresses, you may agree with one harassed soul who said that when the monthly bills come in is the time a husband wishes he had a "no account" wife. In any event, consumer credit is very much with us, and could well be considered "The Great American Convenience."

There have, inevitably, been abuses in the consumer credit field. You have seen them just as I have, and I need not describe them here. However, experience has amply demonstrated the consequences of sacrificing basic credit principles for the expediencies of sales promotion. As a result, many firms—to say nothing of consumers themselves—have been led into difficulties and even disaster.

Although there have been abuses, the growth in consumer credit for the most part has been on a solid footing. Surveys have revealed that most consumer debt is owed by the middle and upper income groups. Consumers generally have not only kept their consumer debt reasonable in terms of what they own but also in terms of what they earn to pay their debts. Today their liquid assets are substantial, and the financial condition of consumers as a whole has remained strong even during this recession. Their rate of savings, although down slightly from a year ago, is still surprisingly high.

Now, I have mentioned the expansion in credit for a purpose—to suggest that without mass credit in this country there could be no mass sales, and without mass sales there could be no mass production. All we need to do is look at other areas of the world where the use of credit is comparatively limited. There are still countries in Europe and Asia where most transactions are on a cash or barter basis. Credit and interest costs are often prohibitive. Without credit effectively facilitating the distribution of goods and services these countries are seriously handicapped in developing their industrial potential.

It is understandable, therefore, that prejudice against consumer credit seems to be breaking down in many parts of the globe. In May, 1957, for example, Internal Trade Minister D. V. Pavlov of the Soviet Union, told a news conference that buying on the instalment plan—always considered strictly a Western economic device—is just around the corner for Russians. Even in Communist Russia the advantages of consumer credit cannot easily be ignored.

Now I have described briefly what consumer credit has contributed to the American economy. That brings me to the next point—the influence of economic conditions on the administration of that credit. What are those conditions today?

No one needs to remind us that the economy has changed. During the postwar boom some of us may have been lulled into the mistaken belief that prosperity never ends. After almost a year of recession some—possibly these same people—may now be jarred into thinking that prosperity never returns, an equally mistaken belief.

Today's recession has done much to clear our thinking—to bring our economy into sharper focus. The downturn at first produced some discouragement and pessimism that are now giving way to a renewed surge of confidence. In recent weeks that confidence has been bolstered by an upturn in industrial production, the slower rate of inventory liquidation, and the brighter employment outlook. These signs indicate that the downturn may be about over.

There are, however, certain factors in the economy that should be recognized. For example, business expenditures for new plant and equipment are declining and will likely decline further in the months ahead. The export trend is downward, as the world market for many commodities has weakened. The number unemployed has increased over two million from a year ago.

A peculiarity of this recession has also been a continued rise in the cost of living—a trend that recently prompted one observer to remark, "The cost of everything is going up these days except the wages of sin—but they've always been too high." Rising consumer prices, however, have been largely in foods and services, and these prices are expected to ease off shortly.

On the other hand, the agricultural situation has definitely improved. The construction industry is benefiting from easier bank credit, increased housing starts, and an expansion in the highway program and other public works. Rising local, state, and federal government spending is offsetting some of the decline in capital outlays by business.

Throughout this recession the financial position of consumers as a whole has remained remarkably strong. It is significant that disposable personal income declined less than 2 per cent from the peak reached in the third quarter of last year. The so-called built-in stabilizers—particularly unemployment insurance and social security—have helped sustain consumer purchasing power. Consumers have been paying off old debt faster than they have incurred new debt while still holding substantial liquid reserves. The financial condition of consumers, together wih he recent rise in personal income, indicates an improved outlook for increased consumer spending and a resumption of the growth in consumer credit.

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7 CENTRAL PARK WEST, NEW YORK 23, N. Y.

In brief, then, the short-range outlook is brighter. There are indications that the economy is near or at the end of the slide and that the prospect is for a revival in business activity late this year.

Now, just a word about our long-range prospects.

You have read and heard much about the amazing growth of our economy in recent years. New industries have been born, and the frontiers of science and technology have been extended beyond anything dreamed of a few decades ago. Particularly encouraging today are the underlying trends in the economy that promise continued expansion and opportunity—trends that will have a considerable influence on consumer credit.

What are those trends?

The first is the rise of a new industry—that of organized discovery or research. Its product is improved technology and new or better goods and services. It has been estimated that at least half of our present working population are making and selling things unheard of at the beginning of this century. With the billions now being invested in research, we may find in twenty years that half of our working force will be producing and selling things now unknown to us. These new and better products will mean not only increased competition but also a greater responsibility in their distribution for credit management.

Increase in Population

The second factor is population. In less than a decade approximately twenty-three million new consumers have been added to our economy—a number that exceeds the population in the entire seven Western states. These people are being added at the rate of three million a year—three million who must be fed, clothed, and housed. It is well to keep in mind, however, that populations by themselves are no assurance of markets or prosperity—as history has demonstrated, but an expanding and productive population with purchasing power can be a strong support under our economy for years to come.

The third important trend is income distribution. Since 1947, for example, average family income after taxes in constant dollars—or dollars adjusted for price differences—has risen 20 per cent. In 1947, 37 per cent of families were in the middle income group—between $4,000 and $8,000. In 1957 that figure had increased to 43 per cent. From 1947 to 1957 the proportion of families in the over-$8,000 bracket increased from 14 to 20 per cent. During the same period the proportion in the lower income group—less than $2,000—decreased from 18 to 14 per cent. What is significant about these figures is that there is a broadening of the middle income market—a market that offers new and greater opportunities for industry.

Another factor that should be mentioned are the outlays of the government for national defense and other programs. No realistic appraisal of the future can overlook these long-range government commitments. There is every indication that defense expenditures will continue at a substantial rate. This spending, combined with spending for such projects as the highway program, will provide considerable support under business activity and—with all its favorable or unfavorable implications—will likely continue for many years.

These underlying trends indicate a bright outlook. There will be more people. They will likely be people with more money, and as a result there should be greater markets for American industry. In turn, consumer credit will play a bigger part in keeping those markets open and distributing the growing stream of production from our factories. People, money, and markets are the economic keys to our future.

While these and other trends are important to a dynamic and expanding economy, I do not wish to leave the impression that the future holds no difficulties for us. There will be setbacks and recessions from time to time. The business cycle has yet to be controlled effectively, but the long-term prospects are full of promise and opportunity.

What are some of the conditions of particular credit significance today? Perhaps the most significant is the marketing situation. Since World War II, for example, business generally has been concerned primarily with distributing a scarcity of goods and services. That situation has now been reversed. Most materials are now in ample supply and—barring another war—will likely remain so for considerable time. The question to be faced now is: how well can we learn to distribute an abundance?

Such an increasingly competitive situation is filled with credit implications. During this period credit will be used as never before to achieve marketing objectives. Under these conditions the profitable use of credit will require increased skill and competence in credit management, for intense competition often breeds credit excesses. Credit excesses, in return, bring with them the spectre of government controls. Already there is considerable speculation about government action to restrain consumer credit as a curb on inflation. The best prevention of such controls is sound credit management, together with responsible use of credit on the part of consumers themselves.

There is no substitute for factual information and sound credit analysis if abuses are to be prevented. In this respect, a recent survey of 62 bankruptcies—all of whom were individuals—disclosed a disturbing situation. These bankruptcies represented liabilities owing to 1,053 unsecured creditors. Ninety per cent of the creditors had not even purchased a credit report on these customers, indicating a serious lack of credit appraisal. It brings home very forcibly the importance of sound credit analysis on the part of credit grantors—not only in the interests of the firm extending credit but also in the interests of the economy as a whole.

There will be during these years a growing demand for credit skill and finesse in customer relations. Credit managers must deal with more customers who are in difficulty. Customers who become overextended or suffer financial reverses will often need counseling from credit management, an area that offers considerable opportunity to develop effective customer relationships.

Trend in Bankruptcies

Of particular credit significance at this time is the trend in bankruptcies—both in number and type of debtor. For example, it is estimated that for the 1958 fiscal year bankruptcies will reach an all-time high of approximately 90,000 cases filed—up from the 74,000 for the previous year and 62,000 for the 1956 period. It is interesting to note that statistics for the 1957 fiscal year—the latest available—show that 86 per cent of the bankruptcies were filed by employees and others not in business. In contrast, this group accounted for only 47 per cent of the total in 1932.

The rise in bankruptcies of employees and others not in business has been going on for the past ten years—over the period of the greatest expansion in consumer credit. These debtors—the wage earners and salaried people who found easy credit far from easy—are the principal reason for the increase in total bankruptcies.

It is a trend that indicates the toll of credit excesses and emphasizes the increasing responsibility for the sound use of consumer credit.

Today's changing conditions have naturally accented the dilemmas of credit management. Speaking of dilemmas, there is an old story about the soothsayer who could foretell events with such disconcerting accuracy that he incurred the displeasure of his prince. One day the prince decided to present the soothsayer with a real dilemma. So he took the soothsayer to the brink of a cliff and asked him when he was going to die. It was obvious that if the soothsayer predicted a time in the distant future he would likely be pushed off the precipice. If he said that he would die now, the prince would discredit him by letting him live. The soothsayer rose to the occasion and said, "Two months before you, my lord."

Perhaps credit managers need some of that kind of wisdom. In any event, credit managers must continue to administer credit in such a way as to minimize the capital in receivables, to keep collection costs reasonable, to deal with customers seeking more credit, and to keep sales people satisfied—all at the same time. These situations present a real test of the skill and competence of credit management.

There is also a need today for credit management to appraise carefully the developments and trends in the consumer credit field. In the past several years we have seen the adoption of many new systems and devices. The use of electronic equipment, machined statements, revolving credit, and the various credit card plans of both merchandising and non-merchandising firms have had their impact.

We need to remind ourselves that systems and gadgets do not create credit. Credit is something the consumer has, not something we give him—and certainly it is not something provided by any mechanical development. No speedier accounting practice, no improved credit system can increase by one dollar the credit worthiness of the individual consumer. He has the credit—credit that is directly related to his character, his earning power, and his savings. He offers that credit to us in exchange for our products and services. Likewise, neither electronics nor new systems have in any way reduced the need for factual information and sound credit judgment.

No management can hope to employ credit profitably in achieving sales and customer relations objectives without a clear conception of what credit is and how it can best be used. A clear conception is essential if credit is to serve effectively in distributing the abundance of our time.

In recent years there has been a growing awareness of the professional responsibilities and opportunities of credit management. Programs of credit education and professional development have been established in the fields of both retail and wholesale credit, and many are taking advantage of these facilities. This recognition of what can be done to improve credit administration is an important step in reaching the professional stature we seek.

In closing, there is one other area of responsibility that I should like to mention.

You have heard a great deal in recent months about what others should do to improve the present economic situation. It is strange how often the word "we" is used in times of prosperity and success, and how frequently the word "they" comes into use when things take a turn for the worse. Recently you have heard what "they" didn't do or what "they" did do to cause the present situation. "They" are, of course, responsible for the fact we didn't put a satellite into outer space first. "They" are to blame for the unemployment increase. "They" caused the recession.

We should, all of us, begin to look at ourselves for that portion of the answer that is within our ability to produce. We would find that individually and collectively we must share the blame for those conditions we do not like and that the opportunities are ours to do something about them.

The outcome of today's situation will depend upon what we do about it, and what we do about it will depend upon our willingness and ability to use our opportunities.

Men equal to the task are needed—men unafraid of the present—men with confidence in the future—men like the writer Josiah Gilbert Holland had in mind when he wrote:

God give us men!
Men who possess opinions and a will;
Men who have honor; men who will not lie;
A time like this demands
Strong minds, great hearts, true faith and ready hands;
God give us men!

Positions Wanted

Credit Sales Manager desires position in Phoenix, Arizona. Age 39. Over ten years' credit, collection and sales promotion experience handling large volume of accounts in large organizations. Complete résumé and references on request. Presently in East but wish to locate in Southwest. Box 8581, The CREDIT WORLD.

Experienced Credit Manager, retail and wholesale building materials chain, seeking opportunity to use proven ability for sales creation with low charge-offs and high recoveries. Knowledge of all methods of financing sales. Box 8583, The CREDIT WORLD.

Aggressive credit executive, college, ten years' experience in retail, wholesale credit and collection field. Excellent background. Presently located in South Florida. Will relocate. Box 8584, The CREDIT WORLD.

For Sale

Sixteen Remington Rand Cycle Billing Desks, in excellent condition at a reasonable price. Write, Burdine's, Miami, Florida, H. D. Jarvis, Credit Manager.

Consumer Credit for May

CONSUMER INSTALMENT credit outstanding declined $100 million during May, after allowance for seasonal influences. The decrease was somewhat less than those in the previous three months. Extensions of instalment credit remained at about the April level. An increase in extensions of credit for purchases of consumer goods other than automobiles was offset by a decrease in extensions for other types of instalment credit. Repayments at $3,352 million were down slightly from the average monthly rate in first quarter of 1958. Automobile paper accounted for the decline in consumer instalment credit outstanding in May. Other consumer goods paper increased $53 million and repair and modernization loans increased $8 million. Personal loans rose at a slower rate than in recent months. Total noninstalment credit outstanding increased $150 million during the month, after allowance for seasonal variation. This reflected primarily an increase in charge accounts of $146 million. Total consumer credit outstanding increased $50 million during the month.—Federal Reserve Board.

CREDIT DEPARTMENT Letters

LEONARD BERRY

THOSE ENGAGED in retail credit work do not need to be told that people move frequently. Indeed, the never-ending flood of changes of address incline to make us think that everyone moves . . . that no one ever stays put in one place.

That is not true, of course. There are many people who live out their entire lives in the same community. Often two and three generations of families are found in the same neighborhood. However, the average number of changes of address per person is stated to be seven in a lifetime. Last year, one in five American families moved, with the majority making relatively long jumps. There are many reasons for this, none of which need concern us here. Constant moving around seems to be characteristic of a growing and dynamic economy.

What is important to us as retailers, is the fact that every person moving from one community to another is a lost customer to the first community and a new one to the second. Another significant fact is that most of the changes are made by those in the 19 to 34 age bracket. They are seeking greener pastures or accepting promotions within their own firms, necessitating the move. They are in the age of "acquiring," building new homes, bringing up families, leading active social lives. Excellent prospects for our goods and services.

Credit executives well know that any customer list shrinks from 10 to 20 per cent every year. Some credit sales promotion is necessary just to balance this steady loss. And for the firm wishing to expand, intensive and pin-pointed promotion is essential. Newcomers to the community are especially profitable targets.

The credit department has the main responsibility of winning the allegiance of these newcomers. Newcomers must form new shopping habits, they must get acquainted with new sources of supply, for both necessities and luxuries. Naturally, the store to welcome them first, with a warm and friendly letter, stands the best chance of securing them as steady and loyal customers.

Do not be afraid to say something about your store in that letter. Just because your store is well known to local residents does not mean the newcomer knows as much. In fact, she might never have even heard of you! Store fame rarely extends beyond the immediate shopping area! It is a good idea to develop an explanatory booklet or brochure describing the merchandise carried and the various services offered. This should be enclosed with the "welcome" letter.

If at all possible, make the invitation to use credit services a positive one. In many communities, credit bureau service includes rapid reporting on newcomers. Often, credit information is available even before the newcomer arrives, because of the excellent interchange cooperation between ACBofA credit bureaus. The positive statement that *an account has already been opened* for the newcomer is a powerful good will-builder and business-getter.

And, do not forget the matter if the first letter brings no response. The problems of settling down in a new home, making all the necessary adjustments in living habits, are time and energy-consuming. Follow-up the first letter in about ten days with another cordial welcome. And even a third try might be advisable.

Newcomers are truly one of the best sources for new accounts. It should be a "must" to set up the procedure in such an efficient manner that friendship and patronage are captured speedily. Nothing should be allowed to interfere with carrying out the procedure.

As mentioned earlier, newcomers to one community are departures from another. Some who leave your community might still be induced to continue to shop with you, via mail. Some of them might return someday! So, a friendly letter to departing customers should be sent. Express your appreciation for past friendship and gratitude for loyalty. Offer your services in any way the customer might wish.

Credit salesmanship is sorely needed today. Established credit facilities are a positive factor in closing sales, particularly big-ticket items. Surely, then, the smart thing to do is to get as many names on the books as possible. Credit salesmanship can be used to its sparkling best with newcomers. Often lonely, often uprooted and disturbed, your genial welcome and sincere offer of service to them will find grateful response which will mean perhaps years of profitable business for you.

This Month's Illustrations

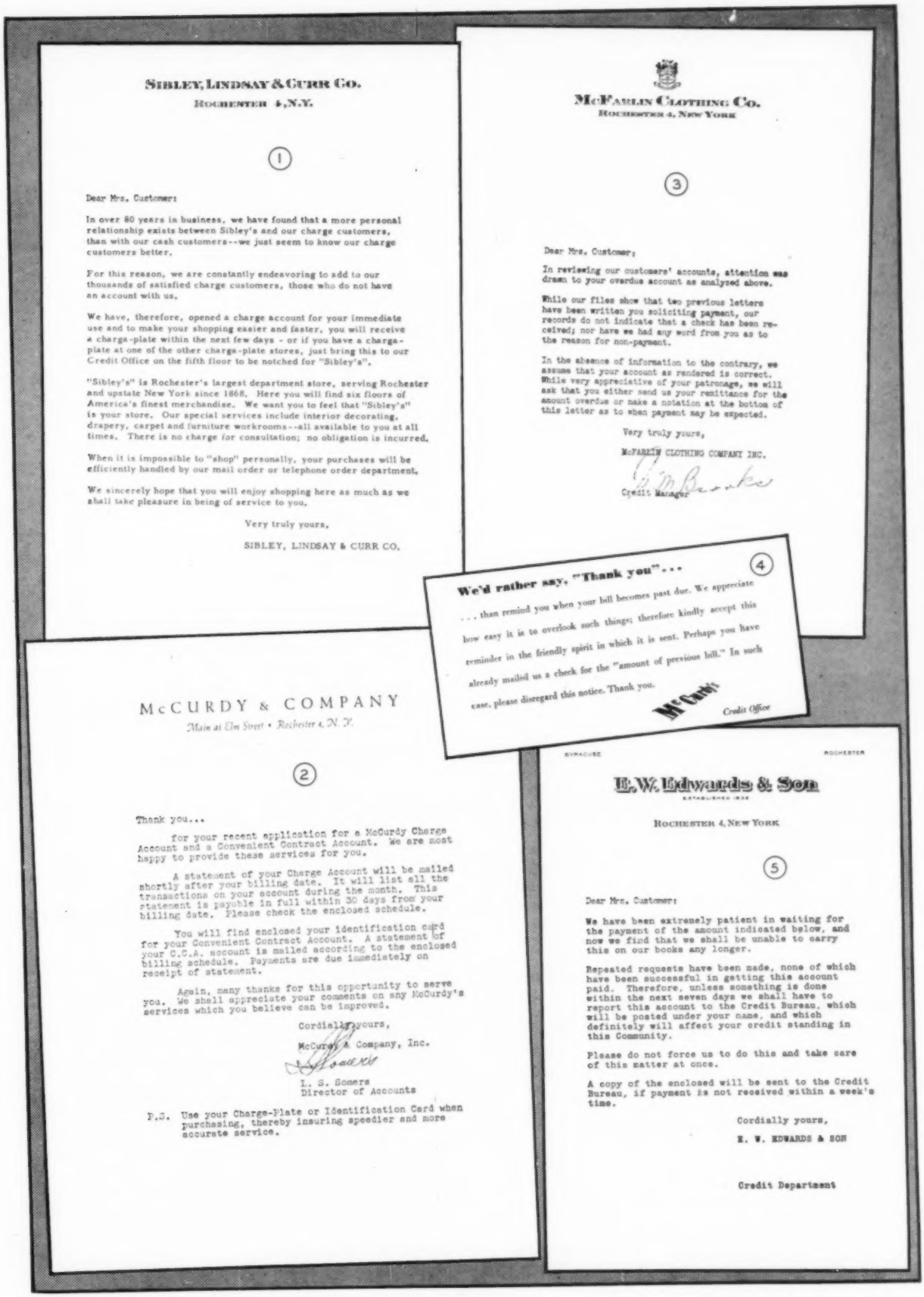
Illustration No. 1. Here we show an excellent credit sales promotion letter used by Sibley, Lindsay & Curr Co. Clifford Joslin, Manager of Credit Sales, believes in a consistent credit sales promotion program. This letter contains a lot of valuable information.

Illustration No. 2. McCurdy's Manager of Credit Sales, L. S. Somers, sent us a great variety of letters and forms. This one was selected for publication as being typical of the friendly and helpful tone of all his letters.

Illustration No. 3. McFarlin Clothing Company is an outstanding men's wear store with a steady and loyal clientele. Collections are handled on a personal basis and this letter reveals the considerate policy of B. M. Brooks, McFarlin's Manager of Credit Sales.

Illustration No. 4. For the early stages of collection, McCurdy's uses a wide range of printed notices. Here is one of them. Such notices are inexpensive and effective.

Illustration No. 5. Another collection letter, this from E. W. Edwards & Son. Katharine Kennedy, Manager of Credit Sales, follows collections carefully and closely. Here is a letter for use when previous friendly and cooperative appeals have brought no results.



SIBLEY, LINDSAY & CURR CO.
ROCHESTER 4, N.Y.

(1)

Dear Mrs. Customer:

In over 80 years in business, we have found that a more personal relationship exists between Sibley's and our charge customers, than with our cash customers--we just seem to know our charge customers better.

For this reason, we are constantly endeavoring to add to our thousands of satisfied charge customers, those who do not have an account with us.

We have, therefore, opened a charge account for your immediate use and to make your shopping easier and faster, you will receive a charga-plate within the next few days - or if you have a charga-plate at one of the other charga-plate stores, just bring this to our Credit Office on the fifth floor to be notched for "Sibley's".

"Sibley's" is Rochester's largest department store, serving Rochester and upstate New York since 1868. Here you will find six floors of America's finest merchandise. We want you to feel that "Sibley's" is your store. Our special services include interior decorating, drapery, carpet and furniture workrooms--all available to you at all times. There is no charge for consultation; no obligation is incurred.

When it is impossible to "shop" personally, your purchases will be efficiently handled by our mail order or telephone order department.

We sincerely hope that you will enjoy shopping here as much as we shall take pleasure in being of service to you.

Very truly yours,

SIBLEY, LINDSAY & CURR CO.

McFARLIN CLOTHING CO.
ROCHESTER 4, NEW YORK

(3)

Dear Mrs. Customer:

In reviewing our customers' accounts, attention was drawn to your overdue account as analyzed above.

While our files show that two previous letters have been written you soliciting payment, our records do not indicate that a check has been received; nor have we had any word from you as to the reason for non-payment.

In the absence of information to the contrary, we assume that your account as rendered is correct. While very appreciative of your patronage, we will ask that you either send us your remittance for the amount overdue or make a notation at the bottom of this letter as to when payment may be expected.

Very truly yours,

McFARLIN CLOTHING COMPANY INC.

Credit Manager

We'd rather say, "Thank you"... (4)

. . . than remind you when your bill becomes past due. We appreciate how easy it is to overlook such things; therefore kindly accept this reminder in the friendly spirit in which it is sent. Perhaps you have already mailed us a check for the "amount of previous bill." In such case, please disregard this notice. Thank you.

McCurdy's
Credit Office

McCURDY & COMPANY
Main at Elm Street • Rochester 4, N. Y.

(2)

Thank you...

for your recent application for a McCurdy Charge Account and a Convenient Contract Account. We are most happy to provide these services for you.

A statement of your Charge Account will be mailed shortly after your billing date. It will list all the transactions on your account during the month. This statement is payable in full within 30 days from your billing date. Please check the enclosed schedule.

You will find enclosed your identification card for your Convenient Contract Account. A statement for your C.C.A. account is mailed according to the enclosed billing schedule. Payments are due immediately on receipt of statement.

Again, many thanks for this opportunity to serve you. We shall appreciate your comments on any McCurdy's services which you believe can be improved.

Cordially yours,

McCurdy & Company, Inc.

I. S. Somers
Director of Accounts

P.S. Use your Charge-Plate or Identification Card when purchasing, thereby insuring speedier and more accurate service.

SYRACUSE ROCHESTER

E.W. Edwards & Son
ESTABLISHED 1822

ROCHESTER 4, NEW YORK

(5)

Dear Mrs. Customer:

We have been extremely patient in waiting for the payment of the amount indicated below, and now we find that we shall be unable to carry this on our books any longer.

Repeated requests have been made, none of which have been successful in getting this account paid. Therefore, unless something is done within the next seven days we shall have to report this account to the Credit Bureau, which will be posted under your name, and which definitely will affect your credit standing in this Community.

Please do not force us to do this and take care of this matter at once.

A copy of the enclosed will be sent to the Credit Bureau, if payment is not received within a week's time.

Cordially yours,

E. W. EDWARDS & SON

Credit Department



Items of Interest From the NATION'S CAPITAL

JOHN F. CLAGETT, Counsel, National Retail Credit Association, Washington, D.C.

Study of Monetary, Credit and Fiscal Policy—In testimony before the Senate Finance Committee in its current monumental study which has been entitled "Investigation of the Financial Condition of the United States," the Chairman of the Board of Governors of the Federal Reserve System, Wm. McChesney Martin, Jr., concluded his opening statement dealing with inflation and recession as follows: ". . . the best way to prevent a recession is to forestall the inflation that precedes it. When the next economic turn comes, as assuredly it will, let us try harder to remember that—*and act accordingly*" (emphasis supplied).

These words portend that the government in the months and years immediately ahead, by all means within its power, will be analyzing and canvassing every facet of the problem of providing the necessary tools, that is, indirect controls such as the discount rate and reserve requirements of member banks, historically used by the FED, and possibly direct controls as well, to influence supply, price and use of money and credit; also to establish clearer and more definitive guides for determining fiscal policy—taxing and spending.

On the part of government, just now, in addition to the Finance Committee investigation, the Joint Economic Committee of the Senate and House has been holding hearings and, of course, the FED makes studies on a continuing basis, as for example, the study of consumer instalment credit issued in March, 1957.

Joining this select company, the Committee for Economic Development, a purely private organization, with offices in Washington, D. C., and which has a great deal of prestige, and proceeding in this instance on a grant of funds from the Ford Foundation, has set up a new "National Commission on Money and Credit" to study these same problems. It does not expect any policy recommendations sooner than two years or more. That much time is needed for study.

These are matters of primary concern to every citizen and every business because they directly concern cost, price, employment. But no one could be more concerned in this great nationwide effort to combat recession and control inflation than those businesses and organizations, such as N.R.C.A. and its members, who operate directly in the field of banking and/or credit.

New Shoplifting Law—One argument that has been advanced against the current wave of enthusiasm for trading stamps is that such a promotional scheme adds to the cost to the consumer. Such cost, if any, would be infinitesimal, however, as compared to the cost actually added by shoplifting, which has been estimated to amount to 2 per cent of the gross sales in certain categories of retailing.

As a result of this situation, which has steadily increased in gravity as shown, among other sources, by the FBI's Uniform Crime Reports, a model law known as the "Yale Law Review Model Law," was proposed and with variations has been adopted in some 19 states.

Such a law was passed in Virginia and signed by the Governor on February 25, 1958, effective June 27, 1958. The two essential features of this law are: (a) a provision that anyone who willfully conceals goods or merchandise of any store, while on the premises of such store, shall be deemed guilty of a misdemeanor; and (b) that the merchant or his agent or employee who causes the arrest of any person for such concealment shall not be held civilly liable for slander or false arrest if he had at the time of such arrest probable cause to believe that the person had willfully concealed goods or merchandise.

The merchants' association of the District of Columbia has announced that it will push for the enactment by Congress similar legislation. In the meantime it is gathering statistics to show the rise and magnitude of shoplifting (four leading department stores alone estimate their loss as between $2 million to $3 million per year). In announcing the program the Merchants and Manufacturers Association said: "The Board expressed its horror at mounting thefts and deplored the fact that merchants must place an additional cost on the price of goods and services which is adding to the cost of living."

Of especial significance to Congress, in the case of the District of Columbia, and of state governmental authority everywhere, is the loss of sales taxes on stolen merchandise, when such stolen and pilfered articles run, on a national basis, into astronomical figures of hundreds of millions a year.

Veterans' Benefits Exempt From Claims of Creditors—The Veterans' Benefits Program Act of 1957, 38 USCA 3001 (a), which is a consolidation or codification of laws administered by the Veterans' Administration, carried forward a provision that payments of benefits to a beneficiary "shall be exempt from the claim of creditors, and shall not be liable to attachment, levy, or seizure by or under any legal or equitable process whatever." A number of cases have upheld the provision in order, as stated in one case, "to afford recipients of benefits some degree of security and to insure public against pauperism of recipients."

Contact Made by Telephone Effective Where Acceptor Spoke—Linn v. Employers Reinsurance Corp., 139 A. 2nd 638, involved a contract made by means of an interstate telephone conversation. The contract was valid under the Statute of Frauds of one state but invalid under the same statute of the other state. This raised the question as to whether the contract was made at the place where the acceptance was heard or at the place where the acceptance was spoken. The Supreme Court of Pennsylvania held that the contract was made in the state where the acceptor spoke. ★★★

Monthly CREDIT STATISTICS

CONSUMER CREDIT, BY MAJOR PARTS

[Estimated amounts of short- and intermediate-term credit outstanding, in millions of dollars]

End of year or month	Total	Instalment credit					Noninstalment credit			
		Total	Automobile paper[1]	Other consumer goods paper[1]	Repair and modernization loans[2]	Personal loans	Total	Single-payment loans	Charge accounts	Service credit
1939	7,222	4,503	1,497	1,620	298	1,088	2,719	787	1,414	518
1941	9,172	6,085	2,458	1,929	376	1,322	3,087	845	1,645	597
1945	5,665	2,462	455	816	182	1,009	3,203	746	1,612	845
1949	17,305	11,590	4,555	3,706	898	2,431	5,715	1,532	2,795	1,388
1950	21,395	14,703	6,074	4,799	1,016	2,814	6,692	1,821	3,291	1,580
1951	22,617	15,294	5,972	4,880	1,085	3,357	7,323	1,934	3,605	1,784
1952	27,401	19,403	7,733	6,174	1,385	4,111	7,998	2,120	4,011	1,867
1953	31,243	23,005	9,835	6,779	1,610	4,781	8,238	2,187	4,124	1,927
1954	32,292	23,568	9,809	6,751	1,616	5,392	8,724	2,408	4,308	2,008
1955	38,670	28,958	13,472	7,634	1,689	6,163	9,712	3,002	4,579	2,131
1956	42,097	31,827	14,459	8,510	1,895	6,963	10,270	3,253	4,735	2,282
1957	44,776	34,105	15,496	8,687	1,984	7,938	10,671	3,502	4,760	2,409
1957—Apr.	41,247	31,786	14,691	8,017	1,862	7,216	9,461	3,374	3,735	2,352
May	41,937	32,158	14,883	8,081	1,886	7,308	9,779	3,582	3,834	2,363
June	42,491	32,608	15,127	8,165	1,905	7,411	9,883	3,530	3,948	2,405
July	42,668	32,968	15,329	8,189	1,921	7,529	9,700	3,406	3,886	2,408
Aug.	43,101	33,303	15,490	8,229	1,954	7,630	9,798	3,458	3,925	2,415
Sept.	43,270	33,415	15,556	8,228	1,969	7,662	9,855	3,493	3,942	2,420
Oct.	43,274	33,504	15,579	8,236	1,988	7,701	9,770	3,405	3,991	2,374
Nov.	43,530	33,596	15,542	8,300	1,996	7,758	9,934	3,458	4,135	2,341
Dec.	44,776	34,105	15,496	8,687	1,984	7,938	10,671	3,502	4,760	2,409
1958—Jan.	43,966	33,737	15,326	8,499	1,963	7,949	10,229	3,514	4,264	2,451
Feb.	43,043	33,302	15,122	8,277	1,936	7,967	9,741	3,542	3,710	2,489
Mar.	42,562	32,983	14,889	8,192	1,915	7,987	9,579	3,542	3,528	2,509
Apr.	42,665	32,932	14,788	8,134	1,914	8,096	9,733	3,501	3,694	2,538

[1] Represents all consumer instalment credit extended for the purpose of purchasing automobiles and other consumer goods, whether held by retail outlets or financial institutions. Includes credit on purchases by individuals of automobiles or other consumer goods that may be used in part for business.

[2] Represents repair and modernization loans held by financial institutions; holdings of retail outlets are included in other consumer goods paper.

NOTE.—Monthly figures for the period December 1939 through 1947 and a general description of the series are shown on pp. 336-354 of the BULLETIN for April 1953. Revised monthly figures for the period January 1948-August 1956, together with a description of the revision, are shown on pp. 1031-1042 of the BULLETIN for October 1956. A detailed description of the methods used to derive the estimates may be obtained from Division of Research and Statistics.

INSTALMENT CREDIT, BY HOLDER

[Estimated amounts outstanding, in millions of dollars]

End of year or month	Total instalment credit	Financial institutions						Retail outlets					
		Total	Commercial banks	Sales finance companies	Credit unions	Consumer finance companies[1]	Other[1]	Total	Department stores[2]	Furniture stores	Household appliance stores	Automobile dealers[3]	Other
1939	4.503	3,065	1,079	1,197	132	.....	657	1,438	354	439	183	123	339
1941	6,085	4,480	1,726	1,797	198	.....	759	1,605	320	496	206	188	395
1945	2,462	1,776	745	300	102	.....	629	686	131	240	17	28	270
1949	11,590	9,257	4,439	2,944	438	.....	1,436	2,333	596	740	178	236	583
1950	14,703	11,805	5,798	3,711	590	1,286	420	2,898	746	827	267	287	771
1951	15,294	12,124	5,771	3,654	635	1,555	509	3,170	924	810	243	290	903
1952	19,403	15,581	7,524	4,711	837	1,866	643	3,822	1,107	943	301	389	1,082
1953	23,005	18,963	8,998	5,927	1,124	2,137	777	4,042	1,064	1,004	377	527	1,070
1954	23,568	19,450	8,796	6,144	1,342	2,257	911	4,118	1,242	984	377	463	1,052
1955	28,958	24,450	10,601	8,443	1,678	2,656	1,072	4,508	1,511	1,044	365	487	1,101
1956	31,827	27,084	11,707	9,100	2,014	3,056	1,207	4,743	1,408	1,187	377	502	1,269
1957	34,105	29,375	12,714	9,573	2,472	3,332	1,284	4,730	1,393	1,146	374	529	1,288
1957—Apr.	31,786	27,544	11,981	9,104	2,127	3,105	1,227	4,242	1,176	1,075	354	505	1,132
May	32,158	27,864	12,143	9,176	2,167	3,123	1,255	4,294	1,229	1,077	355	510	1,123
June	32,608	28,263	12,323	9,300	2,227	3,155	1,258	4,345	1,249	1,077	359	518	1,142
July	32,968	28,726	12,508	9,476	2,284	3,209	1,249	4,242	1,144	1,072	361	525	1,140
Aug.	33,303	29,014	12,607	9,565	2,344	3,234	1,264	4,289	1,161	1,083	360	530	1,155
Sept.	33,415	29,128	12,656	9,598	2,377	3,231	1,266	4,287	1,167	1,077	363	533	1,147
Oct.	33,504	29,241	12,749	9,585	2,415	3,229	1,263	4,263	1,134	1,080	365	533	1,151
Nov.	33,596	29,239	12,717	9,564	2,439	3,248	1,271	4,357	1,199	1,092	365	531	1,170
Dec.	34,105	29,375	12,714	9,573	2,472	3,332	1,284	4,730	1,393	1,146	374	529	1,288
1958—Jan.	33,737	29,125	12,611	9,464	2,446	3,320	1,284	4,612	1,381	1,108	367	522	1,234
Feb.	33,302	28,864	12,415	9,405	2,451	3,306	1,287	4,438	1,326	1,079	363	514	1,156
Mar.	32,983	28,621	12,310	9,284	2,461	3,286	1,280	4,362	1,343	1,045	359	504	1,111
Apr.	32,932	28,701	12,421	9,200	2,506	3,290	1,284	4,231	1,241	1,033	354	498	1,105

[1] Consumer finance companies included with "other" financial institutions until September 1950.

[2] Includes mail-order houses.

[3] Represents automobile paper only; other instalment credit held by automobile dealers is included with "other" retail outlets.



Cedar Rapids, Iowa

The new officers and directors of the Cedar Rapids Credit Association, Cedar Rapids, Iowa, are: President, Clem Schnoebelen, Hatch & Brookman; Vice President, Richard Newland, Peoples Bank; Secretary, William L. Fluegel, Iowa Adjustment & Credit Bureau; and Treasurer, Bettie Schultz, Hiltbrunner Music Company. Directors: LeDonia Asmussen, Credit Bureau; Ruth Drake, Paul Myers Auto Rebuilder; Hamilton Morse, Armstrong's; Robert Rogers, Guaranty Bank; Agnes White, Allen Motor; and Edward Youtzy, Checker Electric.

Valdosta, Georgia

The 1958 officers and directors of the Credit Granters Association of Valdosta, Valdosta, Georgia, are: President, Carol Sherwood, Ellinor Motor Company; Vice President, C. R. Register, Register Clothing Company; Secretary, Comer Cherry, Credit Bureau of Valdosta; and Treasurer, W. H. Rogero, C & S National Bonk. Directors: Harry Luke, Luke Brothers; Eugene Slocum, Slocum & Sons Furniture; Al Dean, The Marbut Company; Edwin Moore, First National Bank; Sherwood Dennis, C. C. Varnedoe and Company; Benny Schwartz, Schwartz's; William McAdams, The Marbut Company; Charlie Davis, The Sports Shop.

West Palm Beach, Florida

The new officers of the Credit Managers Association of Palm Beach County, West Palm Beach, Florida, are: President, Ben Wolfson, Fremac's Men's Store; Vice President, Mark Herrick, Personal Finance Company; Treasurer, Tom Hogarth, The Bank of Palm Beach; and Earl Cromartie, Credit Bureau of Palm Beach County. Directors: H. B. Dawson, Halesy & Griffith Office Supply; Mrs. Anna Butler, Anthony's Department Store; Mrs. Julia Mahathy, J. J. Cater Furniture Company; and Bruce Reade, Palm Beach Machinery & Supply.

Bridgeport, Connecticut

At the eighth annual meeting of the Retail Credit Association of Bridgeport, Bridgeport, Connecticut: President, Lewis Anastas, Kay's, Inc.; Vice President, Fred Kekacs, Hoffman Fuel Company; Treasurer, Andrew Lohmeyer, Howland's Department Store; and Secretary, Walter H. Kerr, Bridgeport Credit Rating Bureau. Directors: Nicholas Badamo, Outlet Millinery, Inc.; Lillian Elovitz, Nyden's Department Store; Justin Slate, George Clarke Furniture; and Norman Devlin, Mitchell Dairy.

Oakland, California

The 1958 officers and directors of the Credit Granters of Greater East Bay, Oakland, California, are: President, Robert E. Beavers, Capwells; Vice President, Doris Waite, Al's Men Shop; and Secretary-Treasurer, William I. Stone, Credit Bureau of the Greater East Bay. Directors: Faye Glaser, Goldmans; Rena Sciaqua, Capwell-Hayward; Henry Sichel, Bond Stores; Morton Mitchell, Stone-Pierce; Harold Wade, Breuners; Jerry Wilson, Merchants Collection; and Hamilton Wendt, Bank of America.

Portland, Maine

At the annual meeting of the Credit Granters of Greater Portland, Portland, Maine, the following officers and directors were elected: President, Harlow C. Skillins, L. W. Cleveland Company; Vice President, Alexander Morris, Lancaster Furniture Company; Secretary, William J. Foley, Credit Bureau of Greater Portland; and Treasurer, Mrs. Dorthea R. Wilbur, Boston Shoe Store. Directors: Chester H. Pierce, Burrowes Corporation; Mrs. Irene O'Donnell, Rines Brothers; Frederic Skillings, N. T. Fox Company; Mrs. Ethel Higgins, Nutter's; Clarence B. Fowler, Randall & McAllister; and Donald L. Fowler, Edwards & Walker.

Bakersfield, California

The 1958 officers and directors are: President, Lawrence King, King Marshall Lumber Company; Vice President, Peter McCart, McCart & Bultman Furniture Company; and Secretary, Herbert P. Sears, Merchants Association of Bakersfield. Directors: Malcolm Brock, Brock's; Fred Carlisle, Crocker Anglo Bank; Vincent Casper, Casper's Men's Store; Frank Estribou, Bank of America; Robert Miller, Fedway; Wayne Peacock, Wayne's Dairy; David Urner, Urner Appliances; Louis Schwab, Pacific Telephone & Telegraph Company; Don Wheeler, Harry Coffee's Men's Store; and J. T. Wingate, Wingate's Office Supply.

Montreal, Quebec, Canada

At the annual meeting of the Credit Granters' Association of Montreal, Montreal, Quebec, Canada, the following officers and directors were elected: President, Doris Sauer, Henry Morgan & Company; First Vice President, J. Chalesbois, Electrolux Company; Second Vice President, Denis Kirby, Peoples' Credit Jewelry; Treasurer, Pierre Lecours, Dupuis Freres Ltee.; and Secretary, A. G. Harding, Credit Bureau of Montreal. Directors: Cecil King, Hartney Company; Marcel Major, Laliberte Ltee.; E. Chevalier, Household Finance Corporation; Max Steible, T. Eaton & Company; A. D. Calvert, Credit Bureau of Montreal; Gordon Napier, Gibbs & Company; and Mrs. Blaise LeBlanc, Credit Women's Breakfast Club of Montreal.

Prince Rupert, British Columbia, Canada

The 1958 officers and directors of the Prince Rupert Retail Credit Granters Association, Prince Rupert, British Columbia, are: President, Melvin E. Thompson, Simpsons-Sears Ltd.; First Vice President, Fred Conrad, Albert & McCaffery Ltd.; Second Vice President, Gordon Fraser, Fraser & Fraser Stores, Ltd.; Treasurer, Charles Roberts, Family Shoe Store, Ltd.; and Secretary, Charles W. Pearce, Valley Credits, Ltd.

Victoria, British Columbia, Canada

The new officers and directors of the Credit Granters' Association of Victoria, Victoria, British Columbia, Canada, are: President, P. Noel, Page the Cleaner; Vice President, H. A. Matthews, Lauder & Matthews; Treasurer, T. R. Edwards, Canadian Bank of Commerce; and Secretary, C. L. Smith, Credit Bureau of Victoria. Directors: J. D. Wilson, T. Eaton Company Ltd.; D. Robinson, Royal Jubilee Hospital; F. Ellis, Buckerfield's Ltd.; Mrs. E. Wilson, Crease & Company; R. W. McKenzie, Heany Cartage & Storage, Ltd.; Y. Evenden, Hudson's Bay Company; W. G. Ellis, Credit Bureau of Victoria; and Mrs. G. McKay, New Methods Laundries Ltd.

Windsor, Ontario, Canada

At the annual meeting of the Credit Granters' Association of Windsor, Windsor, Ontario, Canada, are: President, Norman F. Belleperche, Baum & Brody Ltd.; Vice President, William Brown, Essex Farmers Ltd.; and Secretary-Treasurer, H. M. Beattie, Credit Bureau of Windsor. Directors: E. B. Hassberger, Collection Service of Windsor; A. Helmer, Barlet, Macdonald & Gow Ltd.; E. Shuttleworth, Citizens Finance Company Ltd.; and E. Raymer, Simpsons-Sears Ltd.

Chicago, Illinois

At the annual meeting of the Retail Credit Association of Cook County, Chicago, Illinois, the following officers and directors were elected: President, Charles G. Burd, Spiegel, Inc.; First Vice President, Bryce J. Bryar, Talman Federal Savings and Loan Association; Second Vice President, Frank D. Kollmer, Aldens, Inc.; Treasurer, George H. Landis, Carson Pirie Scott & Company; and Secretary, Carl S. Hobbet, Credit Bureau of Cook County. Directors: J. A. Cooke, Chicago National Bank; N. N. Di Flavio, American National Bank; J. C. Gilliland, Pullman Trust & Savings Bank; R. H. Goehmann, Olson Rug Company; W. G. Hocker, Chas. A. Stevens & Company; Effie Keller, Lake Shore National Bank; Paul McKee, Henry C. Lytton & Company; J. N. Macaluso, Cities Service Oil Company; P. A. Patton, Financial Adjustment Company; and Joseph A. White, The Fair. Originally organized in 1918 under the name of Associated Retail Credit Men of Chicago, this group has functioned continuously ever since in the interest of local credit men and women, and is affiliated with the National Retail Credit Association.

Wiley New President at Johnson City

W. H. Wiley succeeds J. H. Varnell as President of the Credit Bureau of Johnson City and the Associated Credit Managers of Johnson City, Johnson City, Tennessee. Mr. Wiley, who is Secretary-Treasurer of the Citizens Loan Corporation automatically moved up from First Vice President to President upon the resignation of Mr. Varnell who is leaving Johnson City after being Manager of Credit Sales with King's since 1951. Mr. Varnell is to become Manager of Credit Sales, J. C. Penney Company, Jacksonville, Florida in the firm's new venture into consumer credit selling. Mr. Wiley has been active in business and civic circles in Johnson City since 1922 and practiced law until 1942 at which time he entered the United States military service. He is a veteran of World War II and holds the rank of Major in the Airforce Reserve. Since his discharge from active military duty, he has been actively engaged in business and financial affairs of his company.

Detroit, Michigan

At a meeting of the Board of Directors of the Retail Credit Association, Detroit, Michigan, the following officers and directors were elected: President, Nora R. Latour, Crowley, Milner & Company; First Vice President, Robert L. Stacey, National Bank of Detroit; Second Vice President, Wilfred Berry, Kilgore & Hurd; and Secretary-Treasurer, Paul E. Thomas, Merchants Credit Bureau. Directors: Paul B. Dain, J. L. Hudson Company; Jerome K. Jordan, Michigan Consolidated Gas Company; Mary M. Mitchell, Zuieback's; Chester S. Phillips, Sears, Roebuck & Company, Clare Prowse, Demery's, Inc.; William H. Sasser, Winkelman Brothers Apparel, and William K. Van Dusen, Fisher Wall Paper and Paint Company.

Fort Lauderdale, Florida

Two past presidents of the Broward Retail Credit Association, Ft. Lauderdale, Florida, were honored recently for their efforts in broadening public understanding of credit practices and the importance of a good credit reputation to individuals. Shown below, receiving the awards at a joint meeting of the Credit Association and the Broward Credit Women's Breakfast Club, are Clifford W. Speck, left, and Fred C. Halferty.

Mr. Speck was the association's first president, elected to the post at its first regular meeting in March 1956. During his tenure, the Association made considerable headway in promoting good will among credit granters and embarked headlong into a program of educating the buying public on the value of a good credit record. The association also sponsored a credit school and the National Retail Credit Week was more of a success than anticipated since the members had no prior experience.

Fred Halferty continued the work and instituted some new experiences for the young association. He was instrumental in sponsoring the Sterling Speake Credit School jointly with the Credit Bureau of Broward County. In addition, continued progress was made in the increase in members and a larger scope of association efforts during National Retail Credit Week. The association was instrumental in introducing a bill before the Florida legislature permitting the garnishment of wages. The joint meeting of the Credit Association and the Credit Women's Breakfast Club was inaugurated and both associations indicated enthusiastic acceptance to holding several meetings per year.



editorial comment

An Excellent Conference!

THE 44th Annual International Consumer Credit Conference, while not the largest, was an outstanding one. Net registrations numbered 1,124. The Statler-Hilton service was excellent and housing practically all delegates and guests in one hotel was favorably commented upon.

More than 800 members and guests were at the Credit Women's Breakfast on Sunday morning. The early hour of 7:30 was no handicap. In the afternoon, from 2:00 to 5:00 p.m., the Credit Workshop attracted 450 and the subjects discussed proved most constructive and gave those in attendance some worthwhile ideas.

On Sunday evening colored movies were shown through the courtesy of the Standard Oil Company of California. They were "California Centennial," "Los Angeles, City of Destiny," and "San Francisco, Queen City of the West."

On Monday evening the Mixer was thoroughly enjoyed. Music was provided by our own members, principally Credit Bureau personnel and the Executive Vice President of the Associated Credit Bureaus of America, Harold A. Wallace.

The sightseeing trip to interesting places in Los Angeles and luncheon at the Beverly-Hilton Hotel for visiting wives and families of delegates on Monday created most favorable comment. On Tuesday evening the delegates and guests were taken to Disneyland at Anaheim; a most enjoyable and very interesting trip.

Business sessions started with the meeting of the Board of Directors on Saturday morning July 12 which was followed by a meeting at 2:00 o'clock that afternoon for a discussion of problems of local associations, attendance, credit granter and consumer education, etc.

The conference proper opened on Monday morning with an address by John W. Luhring, Vice President, Union Bank, Los Angeles, "Retail Merchants Look at Conditions," followed by an outstanding inspirational address by Dr. William H. Alexander, Pastor, First Christian Church, Oklahoma City. His subject was "The Power to Become."

An interesting feature of the Monday morning session was the presentation of the George A. Scott award to Past President Dean Ashby by George A. Scott, President Walker-Scott Company, San Diego, California, who was made an honorary member of the Association at the San Franciso Conference in 1954.

The Tuesday morning session was devoted to the discussion of various phases of credit by leaders in the profession. Many worthwhile ideas were presented and delegates were enabled to return home equipped to do a more effective credit job.

On the final day, Wednesday morning, there was a discussion by credit bureau leaders of subjects of general interest to credit granters in connection with credit bureau service. It was followed by an address, "How to Get More Business by Telephone," interestingly delivered by Jack Schwartz, Jack Schwartz Telephone Sales Clinic, Los Angeles. Practical demonstrations, with the use of the telephone equipment, were given by Mr. Schwartz. The final address of the conference, "People, Money and Markets," was given by J. Allen Walker, General Credit Manager, Standard Oil Company of California, and immediate past president of the National Association of Credit Men. It proved most enlightening. The appreciation of delegates of all addresses was manifested by their interest.

The grand finale was the banquet in the Pacific Ballroom and Sierra Room on Wednesday evening. Attendance numbered 1,118. The dinner was delicious and the several acts outstanding, for which much credit is due the Ted Lesser Agency. Following the entertainment dancing was enjoyed until 1:00 a.m.

Next year we are to meet in Dallas, Texas, June 21-25, inclusive. The conference will open on Monday morning the 22nd and will close with the banquet on Thursday evening.

Make your plans to be with us.

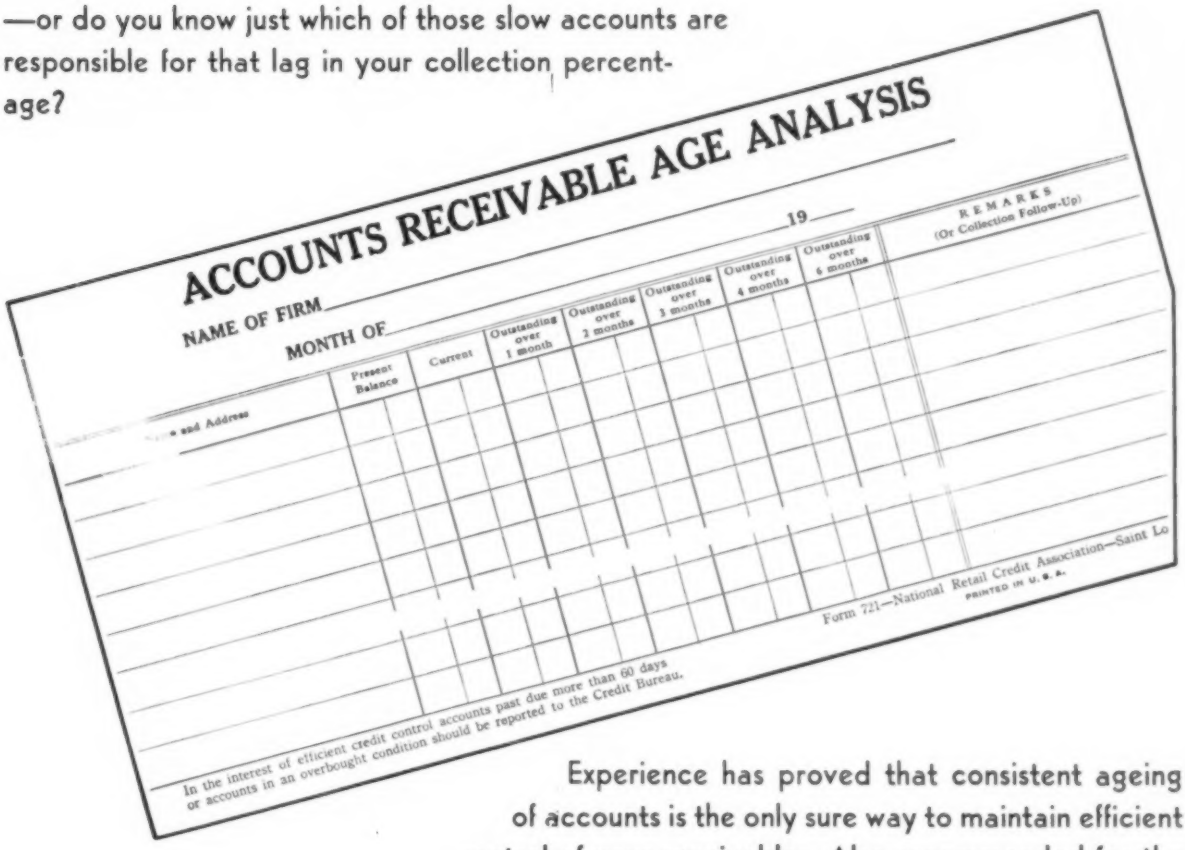
L. A. Crowder

General Manager-Treasurer
NATIONAL RETAIL CREDIT ASSOCIATION

Are You headed for trouble

Mr. Manager of Credit Sales?

—or do you know just which of those slow accounts are responsible for that lag in your collection percentage?


ACCOUNTS RECEIVABLE AGE ANALYSIS

NAME OF FIRM

MONTH OF 19

and Address	Present Balance	Current	Outstanding over 1 month	Outstanding over 2 months	Outstanding over 3 months	Outstanding over 4 months	Outstanding over 6 months	REMARKS (Or Collection Follow-Up)

In the interest of efficient credit control accounts past due more than 60 days or accounts in an overbought condition should be reported to the Credit Bureau.

Form 721—National Retail Credit Association—Saint Lo
PRINTED IN U. S. A.

Experience has proved that consistent ageing of accounts is the only sure way to maintain efficient control of your receivables. Also recommended for the following uses— • Collection follow up. • Account restrictions. • Trial balances in small stores.

Prices

100—$1.50; 500—$5.00; 1,000—$9.50. Postage is extra.
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C-1 Yellow, Blue and White



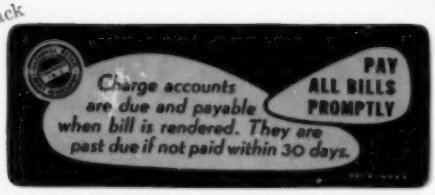
C-2 White and Black



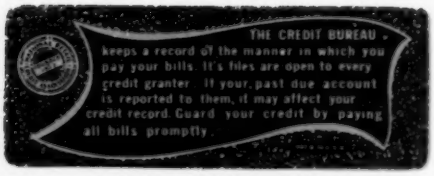
C-3 Lavender, White and Black



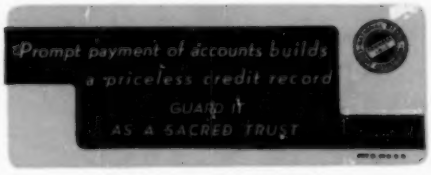
C-4 Yellow and Black



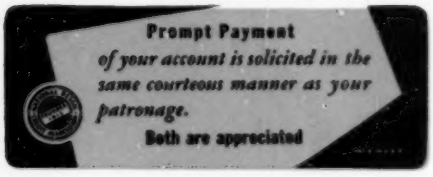
C-5 White and Black



C-6 Yellow, White and Black



C-7 Chartreuse and Black



C-8 Red and Black

Stickers are shown at two-thirds actual size.

Prices are:

500	$2.25
1,000	4.00
1,000 (assorted)	4.50

Write today for free sample kit showing full line of these effective collection aids.



P-3 White and Blue

✓ Check These Six Statements

Mr. Manager of Credit Sales

and you must agree that by using N.R.C.A.'s new collection stickers, you will be assured:

- ✓ 1. That your customer will receive the collection notice early.
- ✓ 2. That time will be saved. Many more hundreds of accounts can be handled during the day.
- ✓ 3. That money will be saved by reducing cost of writing expensive form notices.
- ✓ 4. That collections will be faster. Customers pay the firm who makes the first request.
- ✓ 5. That sales will be promoted. Customer deals with the firm where her account is liquid.
- ✓ 6. That your customer will not object to an inoffensive yet persuasive reminder.

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